MIXING FAMILY AND MONEY: RECEIVING MONEY FROM FAMILY CURBS SPENDING MORE THAN GIVERS WANT

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PhD

The Hong Kong Polytechnic University

This programme is jointly offered by The Hong Kong Polytechnic University and Zhejiang University

2026

The Hong Kong Polytechnic University

Department of Management and Marketing

Zhejiang University

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A thesis submitted in partial fulfillment of the requirements for the degree of Doctor of Philosophy

Oct 2025

CERTIFICATE OF ORIGINALITY

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ABSTRACT

From receiving money from parents for a first home down payment to obtaining cash from offspring for living expenses after retirement, money from family is both prevalent and crucial for consumers' financial well-being. Despite their importance, limited research has examined how it influences consumer spending behavior. Across six studies involving both hypothetical and real spending decisions and employing diverse methods—including surveys, secondary data analysis, and experiments—this research finds that, compared to what givers prefer, receivers tend to curb their consumption by spending a smaller proportion and choosing less expensive products when using money from family. This effect stems from a discrepancy in loan perception that receivers perceive money from family more as a loan than givers do. A pilot study first shows the prevalence of money from family. Using a real-world secondary dataset, Study 1 showed that receiving money from family is associated with lower household expenditure. Through a controlled experiment, Study 2 found that receivers curbed spending of money from family more than givers preferred, in both cases of transfers from parents to adult offspring and from adult offspring to parents, with loan perception mediating this effect. Study 3 further revealed that this effect generalizes to both hedonic and utilitarian purchases and showed that the curbed spending of receivers is driven by loan perception. Studies 4 and 5 tested the boundary conditions of this effect. Study 4 found that the effect weakens when receivers live in the giver's home, while Study 5 demonstrated that a communication-based moderator that explicitly framing the money as a gift restores consumer spending. Overall, these findings reveal unintended consequences of money from family and offer actionable strategies to mitigate these effects. Future research could explore additional ways to encourage receivers' spending of money from family. This research contributes to the mental accounting literature by showing that money from family is treated as a loan, leading to curbed consumption, and extends our understanding of how social

relationships intertwined in personal finance influence consumer behavior. These insights have important implications for understanding the nuanced influence of money from family and why they may not always serve as an effective tool for stimulating spending or enhancing the well-being of consumers.

ACKNOWLEDGEMENTS

I am fortunate as a young scholar. The two years at The Hong Kong Polytechnic University have had a profound impact on me. They really opened my mind and changed my view of what research is and how to do it. Most importantly, I have found doing research joyful. It is all thanks to the people I have met here.

First and foremost, I would like to express my sincere gratitude to Prof. Lili Wang. She encouraged me to step out of my comfort zone and challenge myself. I owe Prof. Wang more than words can adequately express. I am also deeply grateful to Prof. Fangyuan Chen. Her gentle yet firm guidance motivated me to ask questions during seminars and to think more critically about research. By generously sharing her perspectives, she helped me gain clearer direction on this long academic journey. I would like to thank Prof. Nicole Kim, who supervised this thesis. She is a truly brilliant scholar who introduced me to a new field and continuously encouraged me. Through her guidance, I gained confidence, explored ideas freely, and developed a genuine love for research. I am also thankful to Prof. Yuwei Jiang, who not only shared his expertise but also built a strong support system for student research in our department. With this support, I was able to attend international conferences, broaden my horizons, and engage with scholars from around the world. My sincere thanks also go to Ms. Navis Lau, the departmental secretary, for her patience in answering my countless questions. I would also like to thank my fellow students here. The days we spent attending classes together have become memories I will always treasure.

I still vividly remember the trepidation I felt when I first arrived in Hong Kong—on one side stood accomplished scholars as role models, and on the other side was my own sense of smallness. I often think that if I could relive those two years, I would cherish the learning opportunities at PolyU even more: attend more classes, speak up more often, and collaborate

more with different professors. Yet, time has passed and will not return. Although I only spent two years here, the impact on me has been profound. The seminars I attended and the courses I took remain unforgettable, often giving me moments of sudden enlightenment. More importantly, during my studies at PolyU, I gradually developed a stronger sense of self-awareness, began to reflect on the reasons behind my actions, and discovered my own research interests. This has been invaluable for my personal and academic growth. I feel fortunate that as a PolyU alumnus, I will continue to have opportunities to sustain this connection in the future.

Finally, as a small-town youth from an ordinary family in Tiantai, Zhejiang, I am deeply grateful to my hometown. Simply being able to see the vastness of the world is already a blessing. I also thank my own persistence. For the journey ahead, I hope I can live with joy and give my utmost dedication!

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CHAPTER 1. INTRODUCTION

In an era of rising living costs and economic uncertainty, families are playing a more and more critical role as both informal financial safety nets and as the cornerstone of financial prosperity. A recent survey investigated 1,000 parents of adult children and found that half regularly provide financial support to their grown offspring, with the average support per adult child reaching $1,474 per month (Klongpayabal 2025). Moreover, nearly one-quarter (23.8%) of young Americans who recently purchased a home reported using family money to help fund their down payment (Anderson2025). The flow of money is not one-directional. In 2020 alone, an estimated 2.4 million U.S. parents received money from their adult children, with median annual payments reaching $3,749 (Valle 2023).

Moreover, family members often serve as the first line of financial support, providing essential liquidity during times of need (Survey of Consumer Finances 2022). Money from family does not require complex application processes like personal loans, is available to a broader population, and provides timely support at relatively low monetary costs (Lee and Pearson 2016). For many individuals, especially low-income adults and those in transitional life stages (e.g., entering the workforce, pursuing higher education, experiencing job loss or medical emergencies), money from family can help prevent more severe financial hardship, such as reliance on high-interest debt.

Although money from family has many advantages, does receiving money from family promote or curb consumption, and why? What makes money from family unique and worth investigation is that it mixes family relationships with personal finance. These two spheres are governed by different rules and norms, which may conflict with each other. Family relationships emphasize communal support, while personal finance values independence (Leopold and Raab 2011; Morvinski and Shani 2022). How receivers spend the money from family with these tensions inherent in money from family, and whether they use the money in ways that align with givers' intentions, are the key questions this research wants to answer. Investigating whether receivers' consumption aligns with givers' expectations is important as mismatches can lead to utility loss—for example, when givers take out money from retirement funding expecting receivers to use the money to refurnish their house, but instead receivers save it at a lower interest rate.

This research proposes that, driven by the solidarity norm of family relationships, givers provide money as a gift, wishing to improve the receivers' consumption. However, this generosity activates the independence norm of personal finance and leads the receivers to interpret the money as a loan that should be repaid, which in turn suppressing their consumption. This conflict of norms is facilitated especially when the nature of the money transfer is ambiguous. A pilot study found that when providing money to family, 46.4% of participants did not specify whether it was a gift or a loan, therefore creating an ambiguity that fosters divergent interpretations. Such discrepancies can undermine the effectiveness of the money from the family in improving consumers' well-being.

Across six studies using hypothetical scenarios and real-world spending behavior and employing diverse methods—including surveys, secondary data analysis, and experiments-we examine how money from family affects consumers' spending behavior. We find that undesired by givers, receivers tend to curb their consumption by spending a smaller proportion of money and making less expensive purchases. This effect stems from a discrepancy in perceptions of loan perception: receivers perceive the money as a loan than givers. Consequently, receiving money from family is associated with lower household expenditure. Moreover, we found that this curbed spending is not what givers prefer, in both directions of transfers: from parents to adult offspring and from adult offspring to parents. However, when receivers live in the giver's home, givers are also concerned about receivers' financial independence, therefore the discrepancy attenuates. Consistent with the loan perception mechanism, the effect attenuates when givers explicitly frame the money as a gift.

These findings make several contributions to the literature. First, this research explores the understudied effect of money from family, which adds to the mental accounting literature. While prior research has documented that consumers create separate mental accounts for different sources of money (Kahneman and Tversky 1984; Thaler 1985, 1999; Zhang and Sussman 2017), this work extends this line of inquiry by highlighting a critical divergence in mental accounting within relational contexts and demonstrating that receivers often categorize money from family as a loan, in contrast to givers who view it as a gift.

Second, our research contributes to a renewed interest in the social influence of money in relationships. Prior work has focused largely on couples and household finances (Garbinsky and Gladstone 2019; Mishra et al. 2024; Olson et al. 2023) or intra-household dynamics around money management (Epp and Price 2008; Qualls 1988; Su et al. 2003). We extend this literature by examining how financial support between family members living in separate households, such as adult children and parents, shapes consumption behavior in meaningful ways.

This research also contributes to the personal finance literature by highlighting the powerful role of financial independence norms in shaping perceptions and consumption of money from family (Whittington and Peters 1996; Bea and Yi 2018). The strong cultural emphasis on financial independence drives receivers to interpret money from family more as a loan than a gift, often contradicting givers' intentions. This underscores the complex interplay between familial norms and financial decision-making, revealing the psychological tension individuals face when reconciling family support with the desire for financial independence.

Furthermore, our findings have clear practical implications for consumers, marketers, and policymakers. While money from family can help consumers cope with financial hardship, it may cause unexpected consequences to their consumption and well-being. Our findings suggest that money from family is perceived as a loan and leads to curbed consumption. Therefore, consumers may benefit from being more aware of how money from family affects their spending decisions. Marketers can design messages that reduce loan perception and increase expensive purchases. Policymakers and educators should encourage clearer communication within families about the purpose of financial support, helping reduce the emotional burden on receivers.

CHAPTER 2. CONCEPTUAL FRAMEWORK

2.1 How consumers spend money from different sources

From parents covering rent for adult children starting their careers to offspring providing cash for retired parents, the money from family is prevalent. It also occurs across both low- and high-income individuals. According to the Panel Study of Income Dynamics (2023), 10% of financially struggling households (bottom 25% income, under $10,000) and 2.5% of financially well-off households (top 25% income, over $100,000) received money from family in the past year. Money from family can be provided for a variety of purposes, such as living expenses, rent, or specific purchases like a car or new furniture (Economic Well-Being of U.S. Households 2019). Despite its prevalence and importance, relatively little is known about how money from family influences consumer consumption.

The mental accounting literature shows that consumers do not treat all money as fungible. Instead, they allocate money into distinct mental accounts according to the context in which it was obtained (Kahneman and Tversky 1984; Levav and McGraw 2009; Thaler 1985, 1999) and spend the money in a way that "matches" that source (McGraw, Tetlock, and Kristel 2003; O'Curry 1997; Belk and Wallendorf 1990). Previous research has mainly examined how individuals spend money from institutional sources, such as work bonuses from employers (Henderson and Peterson 1992), product refunds (Lee and Morewedge 2023; Yu, Cryder, and LeBoeuf 2024) and coupons (Heilman, Nakamoto, and Rao 2002; Milkman and Beshears 2009) from marketers, or tax rebates (Epley, Mak, and Idson 2006; Shapiro and

Slemrod 2003) from the government.

Less is known about how people spend money from relational sources, which highlight the provider's identity and involve more complex relationship dynamics than money from institutional sources. Several studies have investigated money from friends, though in small amounts (Morvinski and Shani 2022), and focus on the giver's feelings (Angulo, Goldstein, and Norton 2025). Different from friendships, family relationships carry greater obligations and usually involve larger amounts of monetary transfer. A pilot study (N = 255; M_{age} = 41.30, SD_{age} = 13.15; 51.1% female) showed that consumers prefer their family (vs. friends) to seek help from themselves rather than from financial institutions (M_{child} = 2.85, SD = 1.78; $M_{parents}$ = 2.95, SD = 2.01; M_{friend} = 4.29, SD = 1.82; F(2, 222) = 13.87, $p < .001$, $\eta_p^2 = .111$) and were less likely to feel the need for their family (vs. friends) to pay back money (M_{child} = 2.84, SD = 1.85; $M_{parents}$ = 2.64, SD = 1.93; M_{friend} = 4.28, SD = 1.93; F(2, 222) = 16.64, $p < .001$, $\eta_p^2 = .130$). Because of the complex norms within family relationships and personal finance, money from family is unique and worth investigation. Notably, this research focuses on monetary transfers between adult family members rather than the provision of money to non-adults (e.g., parents to minor children), as non-adult consumers usually depend on their families and have not yet developed their own personal finances.

2.2 The uniqueness of money from family

The money from family is unique as it mixes family relationships with personal finance. These two spheres are governed by different rules and norms, which may conflict with each other. For instance, family relationships emphasize solidarity, while personal finance values independence (Leopold and Raab 2011; Morvinski and Shani 2022).

Family relationships are connected by ties of blood, marriage, or adoption (Bengtson and Roberts 1994). Consumers have both a nuclear family and an extended family. A nuclear family typically comprises two parents and their biological or adopted children living together in a single household. In contrast, the extended family includes a broader network of kin, such as grandparents, aunts, uncles, and cousins (Litwak 1960; Shavit and Pierce 1991; Georgas et al. 2001). Nuclear family members typically function as a one financial unit as they pool financial resources together and are interdependent with each other (Garbinsky and Gladstone 2019; Jianakoplos and Bernasek 2008; Spiro 1983). As genealogical distance increases within the extended family, the interdependence and the sharing of resources tend to weaken (Hünteler et al. 2025). However, consumers are not isolated from extended kin, which often function as an implicit insurance net (Georgas et al. 2001). Indeed, families, both nuclear and extended, often carry inherent responsibilities and obligations (Curasi, Price, and Arnould 2004; Epp and Price 2008), and thus are more closely related to consumers' "ought self" (Fei, You, and Yang 2019). Prior research has primarily examined financial decisions within the nuclear family, particularly about how spouses manage their finances (Coman and Lehmann 1987; Rosen and Granbois 1983; Mishra, Garbinsky, and Shu 2024). It is also essential to examine how consumers manage their finances with extended family, as it becomes increasingly common in consumers' daily lives. This research, therefore, focuses on monetary transfers within the extended family and, correspondingly, throughout this paper, the term “family” refers to the extended family network.

Families exert a crucial influence on consumer finance across the whole life span. During early years, individuals depend on their families for basic needs such as food, shelter, and education. The family also functions as the primary agent of financial socialization (Gudmunson and Danes 2011). For instance, children learn to apply economic reasoning to influence household decisions (Kourilsky and Murray 1981). Material parenting can inadvertently prompt children to use possessions to construct and express identity (Richins and Chaplin 2015). Notably, individuals raised in structurally disrupted households may develop stronger materialistic tendencies and higher compulsive consumption due to resource scarcity (Rindfleisch, Burroughs, and Denton 1997). Moreover, parents and relatives often influence choices about personally consumed products and pass on brand preferences across generations (Bearden and Etzel 1982; Childers and Rao 1992).

As individuals mature, consumers have to separate from their original family and eventually form their own family. Transition to adulthood involves a shift from financial dependence on their family of origin toward autonomy and peer-like mutuality (Paikoff and Brooks-Gunn 1991; Steinberg 1987; White, Speisman, and Costos 1983). During this stage, the transition from adolescence to adulthood involves a process of individuation, enabling children to establish a self-identity separate from that of their parents (Smollar and Youniss 1989). Correspondingly, consumers begin to manage their own finances independently by creating budgets, building credit, saving, and covering living expenses.

Because of this unique developmental trajectory — moving from sharing a household to living separately — we propose that givers and receivers perceive and experience intra-familial monetary transfers differently.

2.3 Solidarity norm in family relationships

When providing money to family, givers often engage willingly in a voluntary act of support (exemplified by the colloquial phrase, "that's what families do"; Fuligni and Pedersen 2002). In 2020, U.S. consumers voluntarily gave \$17.5 billion to 6.7 million parents, \$17.6 billion to 3.1 million adult children aged 21 or older who were not away at school, and \$11.0 billion to 4.0 million other relatives (U.S. Census Bureau 2021).

Givers provide such substantial amounts of money because the norm of family solidarity prevails, driven by both moral obligations and a desire to enhance the family's well-being. Family solidarity norms emphasize moral responsibilities to provide emotional, financial, and practical support to the family across the life course (Bengtson and Roberts 1991; Daatland 1990; Merz et al. 2009). Consistent with the solidarity norm, consumers feel stronger obligations toward relatives than toward strangers, particularly when supporting close family members (McManus, Mason, and Young 2021). Beyond obligation, givers also desire to enhance their family members' lives. Supporting one's family provides feelings of pride, meaningfulness, and happiness (Fitzsimons and Bargh 2003; Nelson, Kushlev, and Lyubomirsky 2014). It is also a major reason why many people work, and offers powerful motivation that can boost performance (Menges et al. 2017). Moreover, a desire to care for one's family is central in family consumption, spanning generations from grandparents to grandchildren (Kastarinen, Närvänen, and Valtonen 2022).

These obligations and motivations lead givers to provide money as a gift. Providing money as a loan violates the family solidarity norm by introducing a formal debtor-creditor dynamic through lending, which can strain relationships and create tension around repayment (Morvinski and Shani 2022). Instead, gifts can serve as a symbolic currency that communicates care and reinforces social bonds (Belk and Coon 1993; Liu et al. 2024).

2.4 Independence norm in personal finance

From the receiver's perspective, they are less likely to be guided by the family solidarity norm and take the money for granted. Instead, financial independence norms become more salient as receiving money from family can threaten one's sense of independence and evoke guilt about the potential consequences for the giver.

Financial independence is defined as achieving self-sufficiency and covering one's expenses through one's own income (Lee and Mortimer 2009; Xiao, Chatterjee, and Kim 2014). Financial independence is important as consumers regard the ability to support oneself as central to financial well-being (Rea et al. 2019). It is a highly valued personal goal for both young (Arnett 1998; Shanahan et al. 2005) and older adults (Bell and Menec 2013). Failure to achieve financial independence can lead to mixed emotions within families (Pillemer and Suitor 2002), increased family conflict (Aquilino and Supple 2001), and heightened risks of depression and anxiety (Culatta and Clay-Warner 2021). Accepting money from family violates the norm of supporting oneself and can thus cause a threat to one's identity as an independent and responsible adult.

In addition to independence concerns, receivers may feel guilty about the potential sacrifice from givers. Providing money to family can come at the expense of the giver's own financial security, such as reduced consumption or compromised retirement planning. Indeed, in the economics literature, consumers sacrifice their financial security to help family, which is considered a central explanation for the "annuity puzzle" (Ameriks et al. 2011; Benartzi, Previtero, and Thaler 2011; Lockwood 2012). A recent study also found that half of the over-50 pre-retirees would make major sacrifices to help family members, such as delay retirement or live off less in retirement (Coxwell 2024). It also occurs for adult child providers. A New York Times article showed that adult children continue to provide money to their parents, which places the strain on their own finances (Carrns 2020). Awareness of these sacrifices can make receivers feel indebted to givers and concerned about the long-term damages for the relationship if they do not repay (Righetti et al. 2020; Gao et al. 2024).

According to prior research, whether money is perceived as a loan does not depend on its absolute amount or interest rate, but on the meaning associated with it (Greenberg and Mogilner 2021). We argue that these financial and emotional concerns lead receivers to perceive money from family as a loan rather than a gift. The repayment obligations associated with loan can signal financial responsibility (Shahriar, Unda, and Alam 2020) and therefore preserve their dignity and mitigate the psychological discomfort associated with dependency (Wherry et al. 2019). In contrast, receiving money without an expectation of repayment can be harmful (Whittington and Peters 1996; Bea and Yi 2018) and leads individuals to perceive themselves as needy or pitied by others (Kassirer, Jami, and Kouchaki 2024; Sandstrom et al. 2019). Taken together, we propose:

H1: Compared to givers, who tend to view the money as a gift, receivers are more likely to perceive money from family as a loan rather than a gift.

2.5 Loan perception and curbed spending

Whether money is perceived as a gift or a loan can shape how consumers use the money. We argue that perceiving money from family as a loan rather than a gift leads receivers to curb their spending. On the one hand, gifts are typically construed as unearned, low-cost money and are therefore more likely to be mentally categorized into "non-serious" or "fun money" accounts (Arkes et al. 1999), which are spent more freely (Helion and Gilovich 2014). Moreover, receiving a gift elevates affect (Howe, Hillary, and Chartrand 2024), which has been shown to increase purchases (Heilman, Nakamoto, and Rao 2002). Consistent with this argument, researchers have found that consumers are more likely to spend money on a vacation when the money is framed as a gift (Henderson and Peterson 1992).

In contrast, loans carry an inherent obligations with repayment, which shifts consumers' focus away from consumption and toward repayment. This repayment focus reduces willingness to use the money for purchases compared to when the money activates the consumption focus (e.g., using a credit card; Sharma, Tully, and Cryder 2021). Moreover, because loaned money is tied with a responsibility to repay, it is less available for discretionary use (Sussman and O'Brien 2016). Besides the cognitive labels, loans are perceived as a loss (Meissner 2016; Prelec and Loewenstein 1998) and evoke negative emotions such as guilt and shame (Bu and Liao 2021). To cope with those negative effects, consumers engage in strategic consumption (Levav and McGraw 2009). To avoid guilt, consumers are less likely to spend and more likely to preserve the money (Soman and

Cheema 2011; Sussman and O'Brien 2016). To cope with shame and stigma, consumers tend to hide loaned money (Gladstone et al. 2021; Moorhouse et al. 2023). Combined these together, we hypothesize:

> **H2:** Compared to what givers prefer, receivers are more likely to curb their spending when using money from family, due to heightened perceptions of the money as a loan.

2.6 Moderating role of cohabitation status

The prevalence of multigenerational households in the United States has increased sharply in recent decades; according to the Pew Research Center, the number of people living in multigenerational households quadrupled between 1971 and 2021 (Cohn et al. 2022). A significant number of adults still live with their parents, with 18% of those aged 25 to 34 residing in a parent's home in 2023 (Fry 2025). It is important to understand how the cohabitation status of givers and receivers influences the discrepancy on curbed spending.

Cohabitation heightens givers' concerns about receivers' financial independence and self-sufficiency (Aquilino and Supple 2001; Byers et al. 2008; Seiter, Lopez, and Slavov 2024). Prior research shows that parents attribute the cohabitation to a failure to be financially independent (Clemens and Axelson 1985). Consequently, living in the parents' home was associated with decreases in parents' quality of life (Tosi and Grundy 2018) and increases in parent-child conflict (Aquilino and Supple 2001). In such situations, givers become anxious about adult children's financial ability when providing money. Consistent with this view, a survey of 2,000 parents of adult children in their twenties who live at home found that nearly half (46%) worried about their child's ability to become financially independent, and desired to teach their adult child about how to save money (77%) and budget (71%) (SWNS 2024). As a result, when providing money to an adult child who still lives in their parents' home, givers may be especially motivated to promote financial responsible behavior such as saving rather than facilitate consumption, thereby attenuating the discrepancy. Formally, we propose:

H3: The discrepancy in curbed spending is moderated by the cohabitation status of givers and receivers, with the effect attenuated when receivers live in givers' homes.

2.7 Moderating role of communication

Financial institutions often advise individuals to establish clear repayment terms when providing money to family. For example, Investopedia recommends consumers make sure there is a clear agreement about the form of help, whether it is a loan or a gift, and any terms for repayment (Adams 2025). Similarly, CNBC advises that if consumers decide to gift to a family, they should be as explicit as possible about the terms (Nova 2022). We test the effectiveness of communication to restore the receiver's consumption.

Cognitively, the "gift" label lessens the repayment obligation (Sussman and O'Brien, 2016). Affectively, it transforms the emotional experience from shame and guilt to appreciation and gratitude (Park, Chen, and Kim 2022; Howe, Wiener, and Chartrand 2025).

Consequently, we hypothesize that the curbed spending typically associated with money from family will be attenuated when the money is explicitly communicated as a gift. Taken together, we propose:

H4: The discrepancy in curbed spending is moderated by the communication when providing the money, with the effect attenuated when the givers explicitly tell receivers that the money is a gift.

CHAPTER 3. OVERVIEW OF THE CURRENT RESEARCH

We test our predictions across six studies that employ diverse methods, including a survey, secondary data analysis, and experiments. First, to gain a basic understanding of the prevalence and amount of money being provided to family members, as well as to lay the foundation for subsequent experimental manipulations, we conducted a pilot survey that collected givers' experiences of providing money to family members. The results established the foundational premise that 1) giving money to family members is common and prevalent, 2) money is often given with ambiguity (e.g., without specifying whether the money is intended as a gift or as a loan), and 3) givers' intentions are mainly for recipients to spend that money (both to get by and to improve their standard of living)—not to use it for alternative purposes (e.g., to save it). But, what is the impact of receiving money from family members on recipients' spending, and central to the present research's key hypotheses, do recipients of money from family curb their spending more than givers desire them to, and if so, why and when?

First, to examine the impact of money from family on receivers' spending, Studies 1A-1C consist of secondary data analyses of the Panel Study of Income Dynamics datasets. These secondary data analyses examined whether households receiving money from family curbed their spending more (i.e., had lower expenditure) than households that did not receive money from family, controlling for household income and size.

Next, a series of controlled experiments tested our hypotheses (H1-H4), examining whether recipients of money from family curb their spending more than givers desire them to, and if so, why. Study 2 tested both parent-to-adult-child provision of money and adult-child-to-parent provision of money, examining whether for both directions of providing money to family members, recipients of money from family report greater intentions to curb their spending, compared to what givers desire (H1). In addition, study 2 tested whether one reason this discrepancy between receivers and givers arises is because receivers (vs. givers) perceive the money more as a loan (H2a). Study 3 then tests the generalizability of the effect using different product categories and provides more evidence to the loan perceptions mechanism, such that receivers (vs. givers) perceive the money more as a loan instead of a gift (H2b).

Studies 4 and 5 then tested boundaries and process-consistent moderators, respectively. These studies also provide insight into when the discrepancy is mitigated. Study 4 tested the role of cohabitation status with family. Specifically, study 4 tested whether the discrepancy between receivers and givers is mitigated when receivers and givers live together within the same household (H3). Study 5 then tested provides evidence on the loan perceptions by manipulating the communication when givers provide the money. Specifically, study 5 tested whether the discrepancy between receivers and givers is mitigated when givers explicitly tell receivers that the money is a gift rather than a loan (H4).

CHAPTER 4. EMPIRICAL INVESTIGATION

4.1 Pilot study: The prevalence of providing money to family

According to the U.S. Census Bureau's 2021 Survey of Income and Program Participation, in 2020, U.S. consumers voluntarily gave $17.5 billion to 6.7 million parents, $17.6 billion to 3.1 million adult children aged 21 or older who were not away at school, and $11.0 billion to 4.0 million other relatives. To gain a deeper understanding of the scale and key characteristics of the money provided to family, we conducted a pilot survey that collected givers' experiences in providing money to family members.

Method

A total of 118 U.S. participants were recruited from Prolific. Participants first indicated whether they had ever provided financial support to family: "Have you ever provided financial support (e.g., gave cash, lent your credit card, paid their bills, purchased an item for them, etc.) for your adult family members? (e.g., your adult children, your parents, your adult siblings, etc.)?" (0 = no, 1 = yes).

Those who responded affirmatively were then asked to specify the type of financial support ("What type of financial support did you provide? "; 1 = I gave them cash, 2 = I lent or gave them my credit card, 3 = I paid their bills, 4 = I made a purchase for them, 5 = Others), the amount of money they provided ("Please provide your best estimate of the amount of financial support you provided them in total"), the frequency of providing money ("How many times have you provided financial support for them?"; 1 = One time, 2 = Two to three times, 3 = Four to seven times, 4 = Eight to fifteen times, 5 = More than sixteen times) and who were the receivers ("To whom did you provide financial support?"; 1 = My parents, 2 = My in-laws, 3 = My adult child, 4 = My spouse/romantic partner, 5 = My adult siblings, 6 = Others).

To gain a preliminary understanding of givers' motivation to provide money, participants were also asked to describe their reasons for providing money ("Why did you provide financial support for this person?"). We also asked participants, "Did you have a specific purpose that you wanted this person to use the money for?" (0 = no, 1= yes) and for those who answered yes, we further asked them "What did you want the money to be used for?" (1 = daily expenses, 2 = housing, 3 = education, 4 = hedonic purchase, 5= others). To understand whether the money was explicitly classified as a loan or a gift, participants also indicated "When providing financial support, did you explicitly describe the terms of your provision to them?" (0 = no, I did not specify; 1 = yes, I specified that it was a gift; 2 = yes, I specified that it was a loan; 3 = other). Finally, participants reported their demographic information, including age, gender, relationship status, and annual income (see the complete demographic statistics in the Web Appendix A).

Results

Most participants (n = 97, 82.2%; M_{age} = 38.93, SD_{age} = 13.67; 48.5% female) reported having provided financial support to adult family members. These participants represented a range of income levels (5.2% under \$10,000; 11.3% \$10,000–\$19,999; 16.5% \$20,000–\$39,999; 22.7% \$40,000–\$69,999; 19.6% \$70,000–\$99,999; 17.5% \$100,000–\$149,999; 7.2% \$150,000 or more), confirming that giving money to family is a common phenomenon across different income groups.

Among these participants, 61.9% (n = 60) provided cash to family members, 23.7% (n = 23) paid bills for family members, 5.2% (n = 5) lent their credit cards, 5.2% (n = 5) made purchases for family members, and 4.1% (n = 4) reported other forms of support, such as providing housing or writing checks. Because it is the most common way of providing financial support, we focused on money provided to family members in the subsequent studies.

The average amount of financial support provided was $7,306.24, with a median of $5,000. Providing financial support to family is also not a one-time thing, as 79.4% of participants had provided money to family members more than once. In terms of receivers, 58.8% of givers reported that they have provided to their parents, 40.2% to an adult sibling, 33.0% to a spouse or romantic partner, 22.7% to their adult offspring[1], and 7.1% to other relatives.

Regarding givers' motivations, a majority (64.9%) only described specific situations faced by the receivers without mentioning their own motivation. Apart from that, 15.5% cited love and a desire to help as their primary motivation, for example, "Because I love them and they rely on me for certain expenses, and I want to make sure they are taken care of." Another 12.4% emphasized a sense of responsibility to provide for family, such as "Because it was the right thing to do to help them." In terms of what givers want the money to be used for, 61.9% of participants reported having a specific purpose, and all of them indicated that they wanted the receivers to spend the money, suggesting that the money provided to family was meant to be spent.

In terms of how money was framed when provided, 46.4% of participants did not specify whether it was a gift or a loan, 32.0% specified it was a gift, 17.5% specified it was a loan, and 4.1% chose "other". These results suggest that money is often provided with ambiguity, which may lead to differing perceptions between givers and receivers.

[1] We did not measure whether participants had adult offspring in this study; thus, this percentage likely represents a substantial underestimate of the percentage of provision of financial support to adult offspring.

Discussion

This pilot survey showed that providing money to family is a common experience for consumers across different income levels, with many reporting that they had provided money multiple times and often involving substantial amounts. While the many givers provided money out of love and responsibility, and the majority of givers want receivers to spend the money, almost half of them do not specify whether the money is provided as a loan or a gift, which could cause different interpretation of the money from the receivers' side.

4.2 Study 1a-1c: Receivers' curbed spending of money from family

Studies 1A, 1B, and 1C aim to understand how money from family influences consumer actual consumption by analyzing real-world expenditure in a set of secondary datasets. Specifically, Studies 1A-1C analyzed household-level spending behaviors reported in the three most recent datasets of the Panel Study of Income Dynamics (PSID2019, 2021, and 2023). Study 1A provides real-world evidence of how money from family affects consumers' spending by comparing the actual expenditures of households that received money from family with those of households that did not receive such money, controlling for household income and size.

Method

The PSID is a nationally representative longitudinal survey of U.S. families conducted by the University of Michigan's Institute for Social Research. The PSID has collected data for 55 years, tracking more than 85,000 individuals. From 1968 to 1997, PSID family members were interviewed annually. From 1997 to the present, interviews have been conducted biennially. Adult children who leave their parents' homes to form their own economically independent households were invited to join the PSID study as a separate household. The PSID employs rigorous sampling procedures and includes measures of income, expenditures, financial transfers, and family structure at the household level, making it well-suited for the current research. In Study 1A, we used data from the 2019 wave of the PSID (the most recent dataset collected prior to COVID-19), which follows 9,569 families with up to seven generations represented in the sample.

In the income section of the PSID dataset, participants were asked whether they had received financial help from relatives in the past year ("Did you receive any help in 2018 from relatives?"; ER73374)[2]. We excluded participants who answered "don't know" (n = 4) or refused to answer (n = 12), resulting in a final sample of 9,553 households. Among them, 8.73% (n = 834) reported receiving help from relatives in the past year, and 91.27% (n = 8,719) did not. This binary variable (0 = did not receive help from relative, 1 = received help from relative) served as the independent variable. We used total household expenditure calculated by PSID (variable ER77587) as the dependent variable. Household size (ER77248) and taxable income (ER77352) as recorded by PSID were included as control variables.[3]

Results

The variance inflation factors (VIF) of receiving money from family (1.01), size of household (1.03), and household income (1.04) were all close to 1, and all condition indices were less than 4.35, suggesting that multicollinearity does not pose a serious concern (Stevens 2002; Stilley, Inman, and Wakefield 2010; see correlation matrix in table 1a). A

[2] The interview instructions specified that the relatives in question had to be a family member not living in the same household.
[3] Because total income (ER77448) includes money received from relatives, using it as a control variable could introduce potential confounds. Therefore, we used taxable income as a control variable. However, the results remained significant when using total income as a control variable.

linear regression model yielded a significant negative effect of receiving money from relatives on household expenditure (B = -4927.83, SE = 851.61, $t(9549) = -5.79$, $p < .001$; complete regression results can be found in table 1b). Controlling for household size and taxable income, households that reported receiving money from a relative in the past year spent significantly less (M = $34,204.75, SD = $23,914.86), compared to households that did not receive money from a relative in the past year (M = $48,206.19, SD = $32,806.71; $F(1, 9549) = 33.48$, $p < .001$, $\eta_p^2 = .068$).

TABLE 1a

DISCREPANT STATISTICS AND BIVARIATE CORRELATIONS

Variable	Mean	SD	(1)	(2)	(3)
(1) Total expenditure	46983.83	32369.83			
(2) Received money from family	.09	.28	**-.122**		
(3) Household taxable income	63592.26	87823.44	**.663**	**-.113**	
(4) Household size	2.73	1.57	**.306**	**-.044**	**.170**

NOTE. Values in bold denote $p < .05$

TABLE 1b

REGRESSION RESULTS FOR STUDY 1A

	B	SE	β	$CI_{95\%}$	VIF
Intercept	21613.02	501.54		[20629.89, 22596.15]	
Received money from family	-4927.83	851.61	$-.04^{***}$	[-6597.17, -3258.48]	1.01
Household taxable income	0.23	0.003	$.63^{***}$	[.23, .24]	1.04
Household size	4092.29	154.88	$.20^{***}$	[3788.68, 4395.89]	1.03
Adjusted R^2 = 48.02%					

NOTES. B =unstandardized coefficient; SE = standard error; Β = standardized coefficient; $CI_{95\%}$ = 95% confidence interval; VIF = variance inflation factor;
*$p < .05$.
**$p < .01$.
***$p < .001$.

Discussion

Using households' actual expenditure as the dependent variable, Study 1A provides real-world evidence for the curbed spending effect. Study 1A shows that compared to households that did not receive help from relative, households that received money from relatives had lower expenditures, after controlling for household income and size. As with other secondary data, this analysis is subject to limitations, including that this evidence is correlational and that reverse causality is a possibility: households with less expenditures may have been worse off, leading them to seek money from family. To address this concern, Study 1B focused on households experiencing financial difficulties, and compared those that received money from family with those that relied on other resources, such as savings, loans, and credit cards to cope with financial difficulties.

Study 1B: REPLICATION OF STUDY 1A USING PSID 2021 DATASET

Study 1B has three objectives. Firstly, while study 1A compared households that received money from family with those that did not, these households may have different financial situations inherently. Study 1B aims to address this concern by focusing on households that all experienced financial difficulties due to COVID-19. Secondly, study 1B aims to examine the curbed spending effect by comparing households that used money from family versus other resources (e.g., savings, credit cards, and personal loans) to cope with financial difficulties during the pandemic. Thirdly, study 1B aims to replicate the findings of study 1A.

Method

Study 1B has two parts. The first part focuses on households that experienced financial difficulties due to COVID-19, comparing how receiving money from family versus other resources impacts household expenditures. The second part uses the full sample, as in Study 1A, to compare how receiving money from family versus not receiving it affects expenditures.

In the first part, we focused on the households that experienced financial difficulties during COVID-19. The PSID 2021 dataset was collected during COVID-19, and respondents were asked to indicate whether they experienced financial difficulties during the pandemic ("Did [you/he/she] [or anyone in the family living there] have any financial difficulties due to the COVID-19 pandemic?", ER79051). Among 9,207 households, 22.7% (n = 2,093) experienced financial difficulties and were then asked, "How did (you/he/she)/(your family) manage any financial difficulties due to the pandemic?" We compared the expenditure of those obtained financial help from family ("did you obtain financial help from a family member who does not currently live with you/him/her?"; ER79058) with those used other financial resources: 1) savings: "Use savings in (your/his/her) bank or credit union savings account"; ER79053, and "Use money from (your/his/her) retirement savings"; ER79057, 2) credit card: "Use (your/his/her) credit card more than (you/he/she) usually would"; ER79056, and 3) loan: "Take out a loan from a bank, credit union, or other financial institution"; ER79062 and "Draw down on existing equity or line of credit loans more than (you/he/she) usually would"; ER79061.

Among households that experienced financial difficulties during the pandemic, 40.0% (n = 837) had obtained financial help from family, 64.0% (n = 1,339) used savings, 18.4% (n = 386) drew on retirement savings, 46.9% (n = 982) increased credit card use, 12.6% (n = 263) took out a loan, and 10.4% (n = 218) drew down on existing equity or line of credit loans. To avoid confounds, households that used more than one resource like household receiving both help from family and loans were excluded from the analysis, leaving 165 households in the money from family condition, 364 households in the saving condition, 100 households in the credit card condition, 17 households in the loan condition.

Similar to Study 1A, in the second part, we compared the expenditure of households that received help from relatives with those that did not, regardless of whether they experienced financial difficulties. Respondents' answers to the question "Did you receive any help in 2020 from relatives?" (ER79476) were used as the independent variable. Again, respondents who answered "don't know" (n = 28) or refused to answer (n = 17) were excluded from the analysis, leaving a final sample of 9,162 households. Among these households, 8.49% (n = 778) reported receiving help from relatives in the past year, whereas 91.51% (n = 8,384) did not.

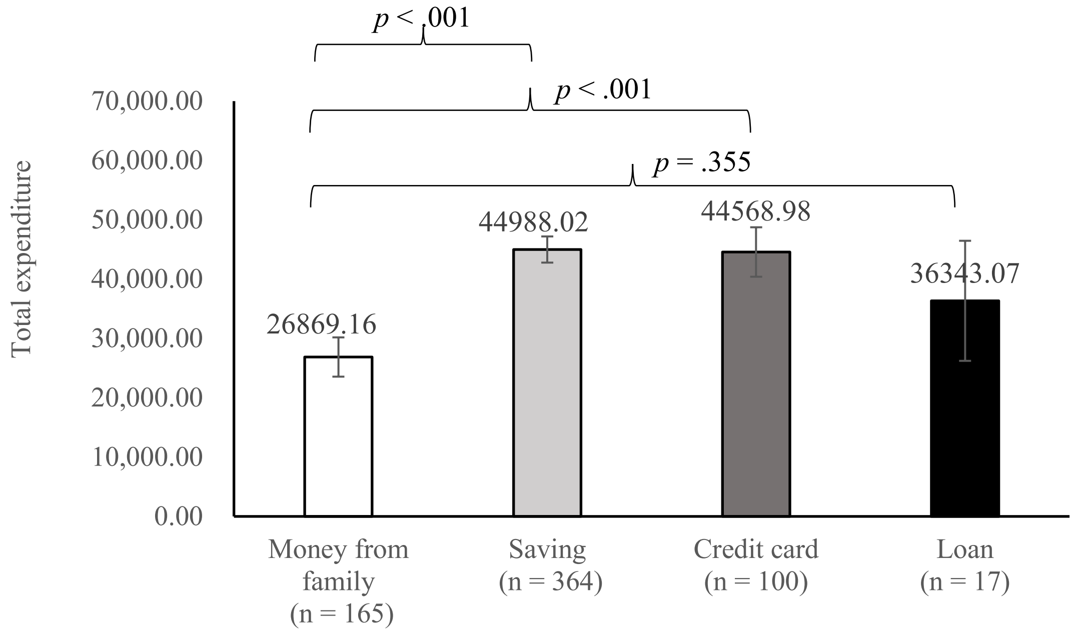
In both analyses, we used total household expenditure calculated by PSID (variable ER81914) as the dependent variable. Household size (ER78016) and taxable income (ER81679) recorded by PSID were included as control variables.

Results

Firstly, we focused on households that experienced financial difficulties due to COVID-19. A one-way ANOVA revealed a significant main effect of using different resources ($F(3, 640) = 8.68$, $p < .001$, $\eta_p^2 = .039$), after controlling household income and size. Specifically, households that received money from family have lower total expenditure ($M = 26869.17$, $SD = 14651.08$) than households that used savings ($M = 44988.02$, $SD = 28072.66$; $p < .001$) and used credit cards ($M = 44568.98$, $SD = 30673.64$; $p < .001$), and directionally lower than those that took out a loan ($M = 36343.07$, $SD = 21855.12$; $p = .355$). There is no significant difference between other conditions (*ps* > .30). See figure 1 for detailed results.

FIGURE 1

HOUSEHOLDS THAT RECEIVED MONEY FROM FAMILY EXHIBIT LOWER EXPENDITURE THAN THOSE THAT RELIED ON OTHER FINANCIAL RESOURCES (STUDY 1B)



Next, we used the whole sample and compared the expenditure of households that received help from relatives with those that did not, using household taxable income and household size as control variables. The VIFs of receiving money from family (1.01), size of household (1.04), and household taxable income (1.04) were all close to 1, and all condition indices were less than 4.21, suggesting that multicollinearity does not pose a serious concern (see correlation matrix in table 2a). Replicating previous findings, a linear regression model yielded a significant negative effect of receiving money from family on household expenditure, controlling for household size and taxable income (B = -3968.54, SE = 942.73, $t(9158) = -4.21$, $p < .001$; complete regression results can be found in table 2b). Households that reported receiving money from a relative in the past year spent significantly less (M =

$36,619.19, SD = $23,080.70), compared to households that did not receive money from a relative in the past year (M = $49,061.50, SD = $33,383.66; $F(1, 9158) = 17.72, p < .001, \eta_p^2 = .002$).

TABLE 2a

DISCREPANT STATISTICS AND BIVARIATE CORRELATIONS

Variable	Mean	SD	(1)	(2)	(3)
(1) Total expenditure	48004.95	32818.23			
(2) Received money from family	.08	.28	**-.106**		
(3) Household taxable income	66117.67	108246.65	**.603**	**-.105**	
(4) Household size	2.53	1.48	**.341**	**-.058**	**.181**

NOTE. Values in bold denote $p < .05$

TABLE 2b

REGRESSION RESULTS FOR STUDY 1B

	B	SE	β	$CI_{95\%}$	VIF
Intercept	23830.04	534.93		[22781.46, 24878.64]	
Received money from family	-3968.54	942.73	$-.03^{***}$	[-5816.49, -2120.59]	1.01
Household taxable income	0.17	0.002	$.56^{***}$	[.16, .17]	1.04
Household size	5278.42	179.07	$.24^{***}$	[4927.41, 5629.42]	1.04
Adjusted R^2 = 48.02%					

NOTES. B =unstandardized coefficient; SE = standard error; B = standardized coefficient; $CI_{95\%}$ = 95% confidence interval; VIF = variance inflation factor;
*$p < .05$.
**$p < .01$.
***$p < .001$.

Discussion

Study 1B replicates the finding from Study 1A by showing that households that received money from relatives had lower expenditure than those that did not. In addition, Study 1B shows that when households face financial difficulties, receiving help from family is common but is also associated with lower expenditures compared to relying on other financial resources such as savings, loans, or credit cards.

STUDY 1C: RECEIVERS' CURBED SPENDING OF MONEY FROM FAMILY

Study 1C aims to replicate the findings in Studies 1A and 1B using the most recent PSID dataset (i.e., PSID 2023). In this study, we compared the expenditures of households that received money from family with those of households that did not receive such money, controlling for household income and size.

Method

Similar to Study 1A, participants' answers to the question in the income section ("Did you receive any help in 2022 from relatives?"; ER83445) were coded as the independent variable. We excluded participants who answered "don't know" (n = 3) or refused to answer (n = 41), resulting in a final sample of 9,108 households. Among them, 6.52% (n = 594) reported receiving help from relatives in the past year, and 93.48% (n = 8,514) did not. We used total household expenditure calculated by PSID (variable ER85768) as the dependent variable. Household size (ER82017) and taxable income (ER85533) as recorded by PSID were included as control variables.

Results

The VIFs of receiving money from family (1.01), size of household (1.04), and household income (1.04) were all close to 1, and all condition indices were less than 4.15, suggesting that multicollinearity does not pose a serious concern (see correlation matrix in table 3a). Replicating previous findings, a linear regression showed a significant negative effect of receiving money from family on total expenditure, after controlling for household size and taxable income (B = -2837.15, SE = 1318.17, $t(9104) = -2.15$, $p = .031$; complete regression results can be found in table 3b). Households that reported receiving money from a relative in the past year spent significantly less (M = \$43,302.70, SD = \$32,148.42), compared to households that did not report receiving money from a relative in the past year (M = \$55,435.62, SD = \$41,056.19; $F(1, 9104) = 4.63$, $p = .031$, $\eta_p^2 = .001$).

TABLE 3a

DISCREPANT STATISTICS AND BIVARIATE CORRELATIONS

Variable	Mean	SD	(1)	(2)	(3)
(5) Total expenditure	48004.95	32818.23			
(6) Received money from family	.08	.28	**-.106**		
(7) Household taxable income	66117.67	108246.65	**.603**	**-.105**	
(8) Household size	2.53	1.48	**.341**	**-.058**	**.181**

NOTE. Values in bold denote $p < .05$

TABLE 3b

REGRESSION RESULTS FOR STUDY 1B

	B	SE	β	$CI_{95\%}$	VIF
Intercept	27331.277	656.49		[26044.41, 28618.13]	
Received money from family	-2837.15	1318.17	$-.02^{***}$	[-5421.06, -253.25]	1.01
Household taxable income	0.17	0.002	$.58^{***}$	[.17, .18]	1.04
Household size	5579.00	221.08	$.21^{***}$	[5145.64, 6012.36]	1.04
Adjusted R^2 = 48.02%					

NOTES. B =unstandardized coefficient; SE = standard error; B = standardized coefficient; $CI_{95\%}$ = 95% confidence interval; VIF = variance inflation factor;
*$p < .05$.
**$p < .01$.
***$p < .001$.

Discussion

Studies 1A, 1B, and 1C provide consistent real-world evidence of curbed spending when receiving money from family, by using actual household expenditure as the dependent variable from secondary datasets. These effects are significant after controlling for household income and size. As with other secondary data, this analysis is subject to limitations, including that this evidence is correlational and that reverse causality is a possibility. While the replication analysis that compared households that received money from family and households that used other resources to cope with financial difficulties helped to address this potential concern by focusing on households that faced financial difficulties, we acknowledge this inherent limitation in secondary data analysis.

That said, we suggest that Study 1 provides correlational evidence that consumers receiving money from family may face unique concerns—ones that arise uniquely when receiving money from family (but that do not arise when receiving money from other sources), that lead them to curb their spending. Therefore, the following studies employ experimental designs in controlled settings to provide more causal evidence of the curbed spending effect.

4.3 Study 2: Receivers curb their spending of money from family more than givers prefer

Study 2 aims to test hypothesis 1 and examine whether receivers curb their spending more than the family members who provided the money would prefer. Money provided to parents and to adult offspring was common in the pilot study and received considerable discussion in the media. For example, a New York Times article (Carrns 2020) highlighted how adult children continue to provide money to their parents despite the strain it places on their own finances. Similarly, a CNN article (Sahadi 2023) discussed the risks of parents subsidizing their adult children and when it may be appropriate for parents to stop offering money to their child. Therefore, in this study, we test whether this asymmetry occurs both when monetary support flows from parents to adult offspring and when it flows from adult offspring to parents. Study 2 also aims to provide initial evidence for the proposed loan perception mechanism, wherein receivers perceive the money from family more as a loan and thus curb their spending (H2).

Method

Participants and Design. Study 2 was pre-registered at https://aspredicted.org/w4mz-qhjw.pdf. Study 2 employed a 2 (perspective: receiver vs. giver) × 2 (receiver: adult offspring vs. parent) between-subjects design. We recruited 1017 US participants (M_{age} = 38.47, SD_{age} = 13.54; 50.3% female) from Prolific.

Procedure. In the receiver condition, participants were asked to imagine that "your parents/adult offspring provide(s) you with $1,000. With money from your parents/adult offspring, you have an additional $1,000 this month." In the giver condition, participants were asked to imagine that "you provide your adult offspring/parents with $1,000. With money from you, they have an additional $1000 this month." We chose $1,000 because it reflects the typical monthly support received from family, which averages $907–$960 for Millennials and $1,515 for Gen Z (Salam 2024).

Then, we use two key dependent variables to capture curbed spending. First, participants responded to an overall spending measure, indicating how they would spend (or how they would prefer receivers to spend) the money: "How much of $1,000 would you (prefer your adult child/parents to) spend?" (0%-100%). Second, participants responded to a specific purchase measure, examining their preferred purchase of a more expensive or less expensive product: "Now, imagine you (they) need to buy a new kitchen appliance with money from your parents/adult offspring (you). As you (they) search, you (they) find several options. Which option would you prefer (your adult offspring/parents) to choose?" (1 = a cheaper but lower quality option, 7 = a more expensive but higher quality option). Then, we asked participants an open-ended question about what led to their purchase decision.

After that, participants completed the proposed mediator, a three-item loan perception scale ($\alpha = .90$): 1) "To what extent would you feel that you (they) owe them (you)?" (1 = not at all, 7 = very much), 2) "To what extent would you feel that you (they) need to pay back the money?" (1 = not at all, 7 = very much), and 3) "Would you consider this money more as a gift or a loan?" (1 = more as a gift, 7 = more as a loan).

Finally, participants provided their demographic information, including age, gender, relationship status, their own annual income, and their parents' or adult offspring's income.

Results

Curbed Spending: Proportion of Spending. A two-way ANOVA revealed a significant main effect of perspective ($F(1, 1013) = 100.97$, $p < .001$, $\eta_p^2 = .091$), a significant main effect of receiver type ($F(1, 1013) = 22.56$, $p < .001$, $\eta_p^2 = .022$), and a significant perspective by receiver type interaction ($F(1, 1013) = 21.16$, $p < .001$, $\eta_p^2 = .020$). Given the significant interaction, follow-up planned contrasts showed that for both money provided from parents to adult offspring ($M_{receivers} = 47.90\%$, $SD = 29.70\%$ vs. $M_{givers} = 57.71\%$, $SD = 27.63\%$; $F(1, 1013) = 14.73$, $p < .001$, $\eta_p^2 = .014$) and from adult offspring to parents ($M_{receivers} = 48.17\%$, $SD = 30.01\%$ vs. $M_{givers} = 74.56\%$, $SD = 27.32\%$; $F(1, 1013) = 108.10$, $p < .001$, $\eta_p^2 = .096$), receivers curbed the proportion of spending more than givers preferred, though as evidenced by the significant interaction, this discrepancy was stronger for money provided from adult offspring to parents. See figure 2a for detailed results.

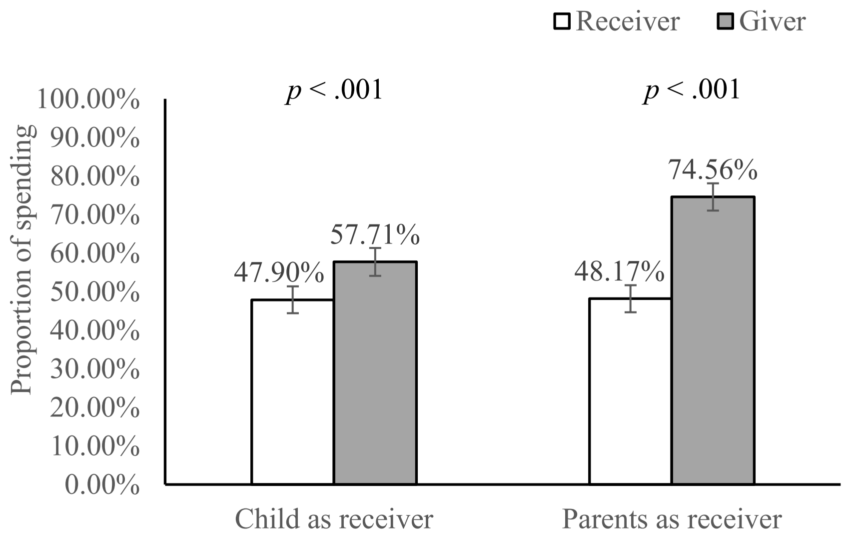
Curbed Spending: Expensive Purchase. A two-way ANOVA analysis revealed a significant main effect of perspective ($F(1, 1013) = 26.92$, $p < .001$, $\eta_p^2 = .026$), a marginally significant main effect of receiver type ($F(1, 1013) = 2.98$, $p = .084$, $\eta_p^2 = .003$), and a significant perspective by receiver type interaction ($F(1, 1013) = 6.75$, $p = .010$, $\eta_p^2 = .007$). Given the significant interaction, follow-up planned contrasts showed that for both money provided from parents to adult offspring ($M_{receivers} = 5.04$, $SD = 1.37$ vs. $M_{givers} = 5.26$, $SD = 1.24$; $F(1, 1013) = 3.33$, $p = .068$, $\eta_p^2 = .003$) and from adult offspring to parents ($M_{receivers} = 4.97$, $SD = 1.51$ vs. $M_{givers} = 5.62$, $SD = 1.20$; $F(1, 1013) = 30.54$, $p < .001$, $\eta_p^2 = .029$), receivers chose a less expensive product than givers preferred, though as evidenced by the significant interaction, this discrepancy was stronger for money provided from adult offspring to parents. See figure 2b for detailed results.

Loan perception. A two-way ANOVA analysis revealed a significant main effect of perspective ($F(1, 1013) = 275.68$, $p < .001$, $\eta_p^2 = .214$), a non-significant main effect of receiver type ($F(1, 1013) = .18$, $p = .675$, $\eta_p^2 < .001$), and a significant perspective by receiver type interaction ($F(1, 1013) = 3.88$, $p = .049$, $\eta_p^2 = .004$). Given the significant interaction, follow-up planned contrasts showed that receivers perceive both money from parents ($M_{receivers} = 3.47$, $SD = 1.86$ vs. $M_{givers} = 1.95$, $SD = 1.36$; $F(1, 1013) = 106.25$, $p < .001$, $\eta_p^2 = .095$) and money from adult offspring ($M_{receivers} = 3.71$, $SD = 1.89$ vs. $M_{givers} = 1.79$, $SD = 1.38$; $F(1, 1013) = 173.82$, $p < .001$, $\eta_p^2 = .146$) more as a loan than givers did, though as evidenced by the significant interaction, this discrepancy was stronger for money provided from adult offspring to parents. See figure 2c for detailed results.

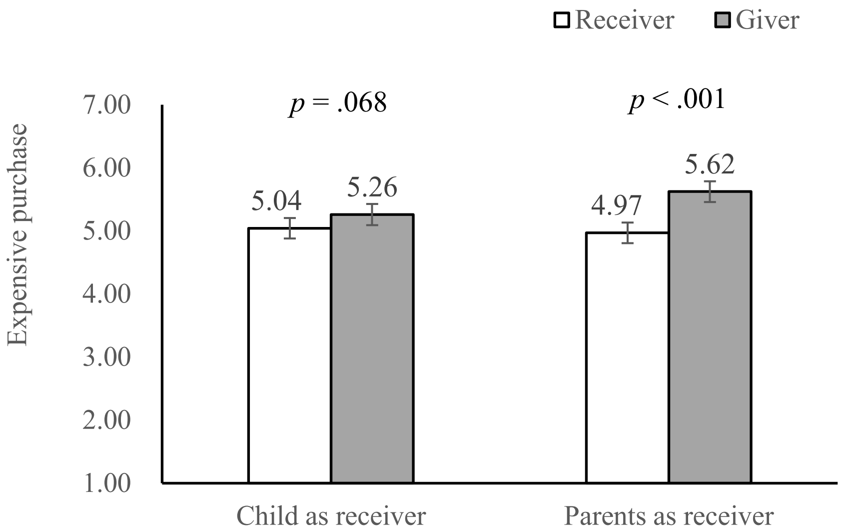
FIGURE 2

DISCREPANCY ACROSS FAMILY RELATIONSHIPS: CHILDREN AS RECEIVERS VERSUS PARENTS AS RECEIVERS (STUDY 2)

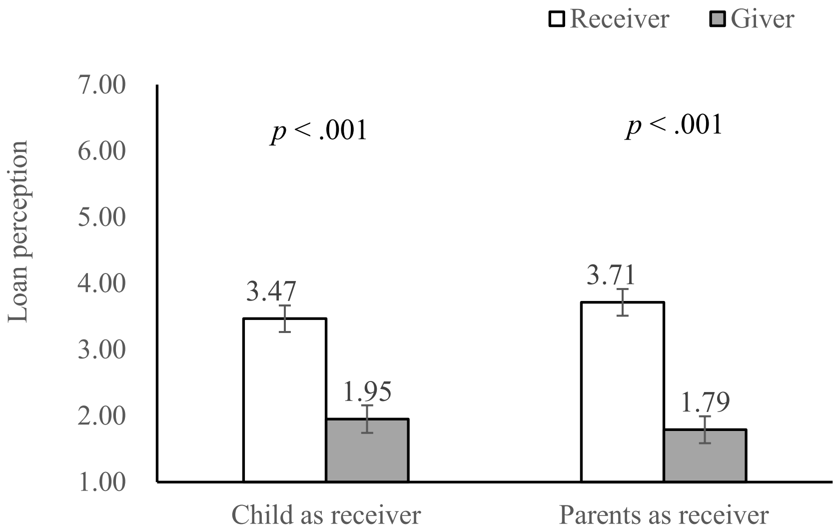
a) Curbed Spending: Proportion of Spending



b) Curbed Spending: Expensive Purchase



c) Loan perception



Note. Means and 95% confidence intervals are depicted.

Moderated Mediation. We conducted two moderated mediation analyses (PROCESS Model 8, Hayes 2017) with perspective (receiver vs. giver) as the independent variable, loan perception as the mediator, and either proportion of spending or expensive purchase as the dependent variable. Results revealed significant moderated mediation via loan perception on both proportion of spending ($\beta = 1.27$, SE = .70, 95% CI [.008, 2.764]) and expensive purchases ($\beta = .05$, SE = .03, 95% CI [.001, .103]).

Specifically, for both when parents are receivers and adult offspring are receivers, loan perception significantly mediated the discrepancy in proportion of spending (parents as receivers: $\beta = 5.98$, SE = 1.28, 95% CI [3.518, 8.620]; adult offspring as receivers: $\beta = 4.71$, SE = 1.06, 95% CI [2.700, 6.931]) and expensive purchases (parents as receivers: $\beta = .22$, SE = .06, 95% CI [.106, .333]; adult offspring as receivers: $\beta = .17$, SE = .05, 95% CI [.084, .270]).

Text Analysis of Open-ended Reasons. To explore why givers preferred more expensive products when providing money to parents than to adult offspring, we analyzed their stated reasons for purchase decisions. We first identified five underlying motivations: desire for improvement, deservingness, durability concerns, spending responsibly, and serving other needs. Using a large language model, we coded the extent to which their reasons reflected each motivation on a 7-point scale (see Appendix B for more details).

Results showed that when providing for parents, givers have stronger motivation to make improvement ($M_{\text{adult offspring}}$ = 4.05, SD = 1.07 vs. M_{parent} = 4.33, SD = 1.15; $F(1, 495)$ = 8.20, p = .004, η_p^2 = .016) and greater perceptions that the receiver deserved a good product ($M_{\text{adult offspring}}$ = 3.89, SD = .85 vs. M_{parent} = 4.26, SD = 1.05; $F(1, 495)$ = 18.68, p < .001, η_p^2 = .036). Both desires to make improvement (β = .16, SE = .06, 95% CI [.047, .273]) and deservingness (β = .19, SE = .05, 95% CI [.102, .290]) significantly mediated givers' preference for more expensive products when parents are receivers.

Discussion

Study 2 provided evidence for the discrepancy of spending money from family, across both money from parents to adult offspring and money from adult offspring to parents. We found evidence that for both directions of monetary transfer, receivers curbed their spending more than givers wanted them to—as evidenced by both a decreased proportion of spending from the total money from family and lower purchase intentions for a more expensive but higher quality product (H1). While not central to our theorizing, we also found that this discrepancy was stronger when parents were the receivers; exploratory analyses on the open-ended responses suggested that the stronger desire to make improvements to parents and higher deservingness mediates the effect. In addition, Study 2 also provides evidence to the underlying mechanism of the discrepancy, that the curbed spending is driven by differential loan perceptions: receivers perceived the money more as a loan than givers did. Having established the generalizability of the curbed spending effect across both money provided from parents to adult child and adult child to parents, the next experiments focused on the provision of money from parents to child to provide more conservative evidence.

4.4 Study 3: Receivers curbed spending due to higher loan perception

Study 3 had two main objectives. The first was to test the robustness and generalizability of the key asymmetry (H1) by utilizing different operationalizations of the money from family and curbed spending. Specifically, Study 3 used a larger amount of money provided (i.e. \$5,000) than in Study 2, with \$5,000 being the median amount provided to families in the pilot survey. For the curbed spending measure, Study 3 used three different product categories, including both utilitarian and hedonic products without an explicit price-quality trade-off. The second key aim of Study 3 was to provide further evidence to the loan perceptions as the underlying process. We predict that receivers' higher perception of money as a loan relative to givers drives the key asymmetry (H2b).

Method

Participants and Design. Study 3 was pre-registered at https://aspredicted.org/dgkk-d87j.pdf. Study 3 employed a 2 (perspective: receiver vs. giver) between-subjects design. A total of 414 U.S. participants who have adult children recruited from Prolific (M_{age} = 47.61, SD_{age} = 7.09; 50.7% female) were randomly assigned to either the receiver or giver condition.

Procedure. In the receiver condition, participants imagined receiving \$5,000 from their parents. In the giver condition, participants imagined providing \$5,000 to their adult offspring.

Then, participants responded to the two key dependent variables regarding curbed spending. First, participants responded to an overall spending measure, indicating how they would spend (or how they would prefer receivers to spend) the money: "How much of $5,000 would you (prefer your adult child) spend?" (0%-100%). Second, participants completed a three-item index measure of purchase preference for more (vs. less) expensive items: 1) "Now, imagine you (your child) need to buy a new kitchen appliance with this money. As you (they) search, you (they) find several options. Which option would you (prefer your child to) choose? (0 = a cheaper option, 1 = a more expensive option)", 2) "If you (they) were to go out to dinner and use money provided by your parents (you), how much would you (prefer your child to) spend?" (1 = $0-9, 2 = $10-19, 3 = $20-29, 4 = $30-39, 5 = $40-49, 6 = $50-59, 7 = more than $60), and 3) "Please imagine that you (they) are trying to get a massage treatment using money provided by your parents (you). Which option would you (prefer your child to) choose?" (1 = a service that you (they) less prefer, but is more affordable, 7 = a service that you (they) most prefer, but is more expensive). As pre-registered, the three items (α = .54) were standardized[4] and averaged to form an expensive purchase index.

After that, participants rated the extent to which they perceived the money as a loan using the same three items as in Study 2, which were averaged to form a loan perceptions index (α = .92). We reported the factor analysis results of Study 3 in Appendix C.

Finally, participants provided their demographic information, including age, gender, relationship status, their own annual income, and their parents' or adult offspring's income.

[4] We inadvertently administered the first purchase preference index item as a binary measure, rather than a 7-point measure, as the second and third items were, which may be why the reliability of this index measure is relatively low. Indeed, when we administered this three-item purchase preference index with all three items as 7-point items in study 4, the reliability of the index measure was higher (α = .84). Nonetheless, as we had pre-registered averaging the three items for both studies, we did so (after necessarily standardizing the first item for study 3).

Results

Curbed Spending. Proportion of Spending. A one-way ANOVA analysis on the proportion of spending revealed a significant main effect, such that receivers reported that they would spend a smaller proportion of money (M = 41.25%, SD = 31.35%) than givers preferred them to spend (M = 48.50%, SD = 31.28%; F(1, 412) = 5.56, p = .019, η_p^2 = .013).

Curbed Spending. *Expensive Purchase.* A one-way ANOVA analysis on the purchase index revealed a significant main effect, such that receivers chose less-expensive items (M = -.09, SD = .74) than givers preferred them to (M = .09, SD = .76; F(1, 412) = 6.34, p = .012, η_p^2 = .015). Because Cronbach's α is low (possibly due to different scale types), we also analyzed each item separately. Results showed that directionally more receivers chose less expensive kitchen appliance (M = 23.56%, SD = 42.54%) than givers (M = 28.64%, SD = 45.31%; F(1, 412) = 1.39, p = .240, η_p^2 = .003), chose to spend directionally less on dinner (M = 3.74, SD = 1.91) than givers preferred them to (M = 3.99, SD = 1.78; F(1, 412) = 1.89, p = .169, η_p^2 = .005), and also chose a significantly less expensive massage service (M = 2.78, SD = 1.86) than givers preferred them to (M = 3.36, SD = 1.97; F(1, 412) = 35.45, p = .002, η_p^2 = .023).

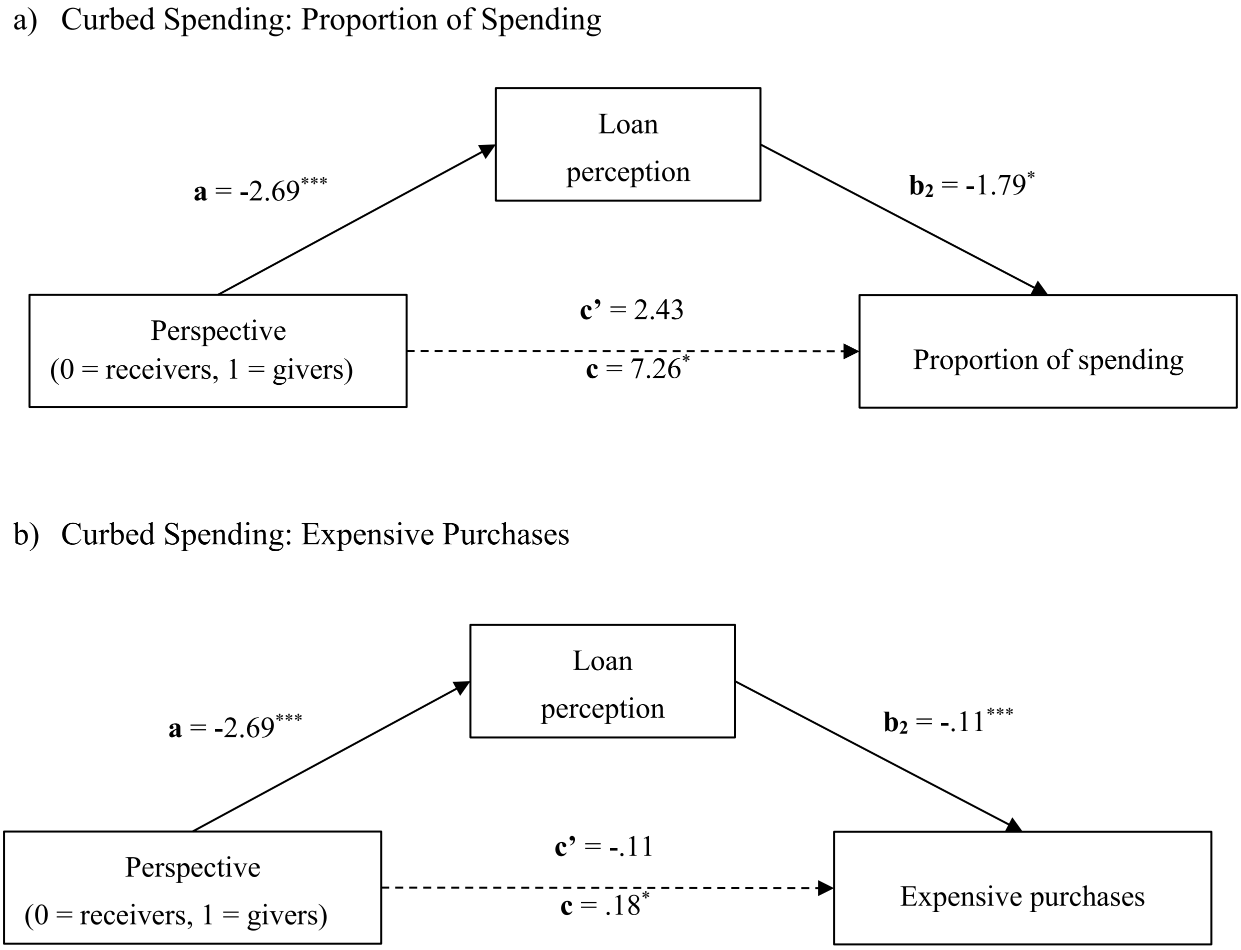
Loan Perception. A one-way ANOVA analysis on the loan perceptions index showed that receivers perceived money from parents more as a loan (M = 4.75, SD = 1.88) than givers did (M = 2.05, SD = 1.62; F(1, 412) = 1.39, p < .001, η_p^2 = .371).

Mediation. We conducted two mediation analyses (Model 4, Hayes 2017) with perspective (receiver vs. giver) as the independent variable, loan perception as the mediator, and either proportion of spending or expensive purchase index as the dependent variable. Results revealed a marginally significant mediation effect for proportion of spending (β = 4.83, SE = 2.53, 90% CI [.566, 8.93]) and a significant mediation effect for expensive purchases (β = .39, SE = .18, 95% CI [.056, .774], see Figure 3 for detailed mediation results).

FIGURE 3

MEDIATION OF LOAN PERCEPTION ON CURBED SPENDING

(STUDY 3)



NOTE. $^{+}p < .10$, $*p < .05$, $**p < .01$, $***p < .001$.

Discussion

Study 3 further demonstrated the robustness and generalizability of the key asymmetry using a large amount of money and different product categories(H1). Moreover, Study 3 provided deeper insight into the underlying process by showing that the key asymmetry is driven by receivers' perception of the money as a loan, thereby leading to curbed spending, relative to what givers prefer (H2).

4.5 Study 4: Discrepancies attenuate when givers and receivers live in the same household

Study 4 tested for boundary conditions by manipulating whether receivers and givers lived in the same household (vs. separate households) and examining whether the giver–receiver discrepancy exists when they live in separate households (where receivers are more financially independent), but is mitigated when they live in the same household (where receivers are more financially dependent). Moreover, to address the potential alternative explanation that givers and receivers might have thought of different receiver characteristics (e.g., in terms of the recipient's age or income), we controlled for the receiver's age and income across conditions, testing whether the key asymmetry still occurs when controlling for these characteristics (H1).

Method

Participants and design. This study was pre-registered at https://aspredicted.org/5gc9-5dvx.pdf. Study 4 employed a 2 (perspective: receiver vs. giver) × 2 (cohabitation status: not cohabiting vs. cohabiting) between-subjects design. We recruited 1016 U.S. participants (M_{age} = 43.71, SD_{age} = 13.89; 49.5% female) from Prolific.

Procedure. In the non-cohabiting condition, participants read the following: "Imagine that you (your adult offspring) are currently living in a home of your (their) own. In other words, you and your parents (your adult offspring and you) live separately in two different households." In the cohabiting condition, participants read the following: "Imagine that you (your adult offspring) are currently living in your parents' (your) home. In other words, you and your parents (your adult offspring and you) live together in one household."

As in study 2, participants in the receiver condition then imagined receiving $1,000 from their parents, whereas those in the giver condition imagined providing $1,000 to their adult offspring. To hold the receiver's age and income constant across conditions, we told participants that "you are (your adult offspring is) 28 years old, with a job that earns approximately $60,000 per year" across all conditions.

Again, we use the proportion of spending and expensive purchases to capture the curbed spending. Participants first answered the same proportion of spending measure as in Study 2. Next, they rated their preferences for less versus more expensive options across three categories: 1) Personal electronic: Now, imagine you need (your adult offspring needs) to buy a new personal electronic item with this money. As you (they) search, you (they) find several options. Which option would you (prefer your adult offspring to) choose? 2) Dinner: If you (your adult offspring) were to go out to dinner and use money provided by your parents (you), which restaurant would you (prefer your adult offspring to) choose? and 3)Massage: Please imagine that you are (your adult offspring is) trying to get a massage treatment using money provided by your parents (you). Which option would you (prefer your adult offspring to) choose? (1 = cheaper option, 7 = more expensive option; $\alpha = .84$). We provided the results for each item in Appendix D.

Then, participants completed an attention check item: "In the previous pages, did you imagine that you were (your adult offspring was) living in one household with your parents (you) or in separate households?" (1 = one household, 7 = separate households). This attention check was passed by most participants (91.1% of participants in the no-cohabitating condition chose "7 = separate households," and 92.9% of participants in the cohabitating condition chose "1 = one household"). Excluding the participants who did not pass this attention check did not alter the key findings (all subsequent analyses included all participants, as pre-registered).

Finally, participants provided their demographic information, including age, gender, their own annual income, and their parents' or adult offspring's income.

Results

Curbed Spending: Proportion of Spending. A two-way ANOVA on proportion of spending revealed a significant main effect of perspective ($F(1, 1002) = 62.17$, $p < .001$, $\eta_p^2 = .058$), a significant main effect of cohabitation status ($F(1, 1002) = 52.64$, $p < .001$, $\eta_p^2 = .050$), and a significant perspective by cohabitation status interaction ($F(1, 1002) = 7.13$, $p = .008$, $\eta_p^2 = .007$). Follow-up simple-effects tests to examine the pattern of the interaction showed that when receivers and givers live in separate households, there is a significant discrepancy between givers and receivers such that receivers spent less than givers preferred ($M_{receivers} = 37.29\%$, $SD = 33.17\%$ vs. $M_{givers} = 58.36\%$, $SD = 29.62\%$; $F(1, 1002) = 55.05$, $p < .001$, $\eta_p^2 = .052$). However, when receivers live together in the same household as givers, the discrepancy attenuates, albeit still significant ($M_{receivers} = 28.14\%$, $SD = 31.29\%$ vs. $M_{givers} = 38.55\%$, $SD = 32.37\%$; $F(1, 1002) = 13.76$, $p < .001$, $\eta_p^2 = .014$).

We also examined the pattern of the interaction differently by comparing givers' and receivers' curbed spending separately. We found that receivers who live with givers spent less ($M = 28.14\%$, $SD = 31.29\%$) than those who live in separate households ($M = 37.29\%$, $SD = 33.17\%$; $F(1, 1002) = 10.78$, $p = .001$, $\eta_p^2 = .011$). Moreover, Givers also prefer receivers to spend less when they live together ($M = 38.55\%$, $SD = 32.37\%$) than when they live in separate households ($M = 58.36\%$, $SD = 29.62\%$; $F(1, 1002) = 48.06$, $p < .001$, $\eta_p^2 = .046$). See figure 4a for detailed results.

Curbed Spending: Expensive Purchase. A two-way ANOVA on expensive purchase revealed a significant main effect of perspective ($F(1, 1002) = 25.09$, $p < .001$, $\eta_p^2 = .024$), a significant main effect of cohabitation status ($F(1, 1002) = 29.59$, $p < .001$, $\eta_p^2 = .029$), and a marginally significant perspective by cohabitation status interaction ($F(1, 1002) = 3.23$, $p = .072$, $\eta_p^2 = .003$). Follow-up simple-effects tests to examine the pattern of the interaction showed that when receivers and givers live in separate households, receivers report less expensive purchases than givers preferred ($M_{receivers} = 3.43$, $SD = 1.44$ vs. $M_{givers} = 4.01$, $SD = 1.23$; $F(1, 1002) = 22.91$, $p < .001$, $\eta_p^2 = .022$). However, when receivers live in givers' homes, the discrepancy attenuates, albeit still significant ($M_{receivers} = 3.12$, $SD = 1.46$ vs. $M_{givers} = 3.39$, $SD = 1.28$; $F(1, 1002) = 5.22$, $p = .023$, $\eta_p^2 = .005$).

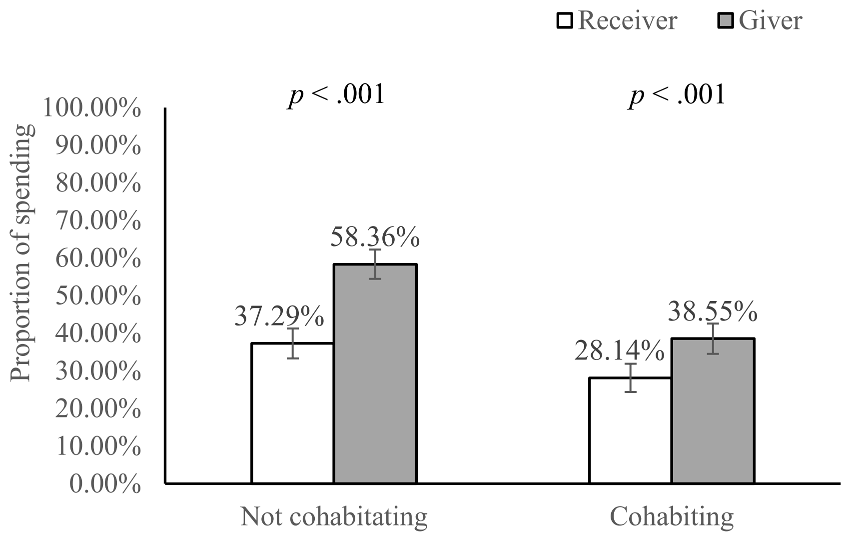
We also examined the pattern of the interaction differently, by comparing givers' and receivers' expensive purchases separately. We found that receivers who live with givers make less expensive purchases ($M = 3.12$, $SD = 1.46$) than those who live in separate households ($M = 3.43$, $SD = 1.44$; $F(1, 1002) = 6.80$, $p = .009$, $\eta_p^2 = .009$). Givers also prefer receivers to make less expensive purchases when they live together ($M = 3.39$, $SD = 1.28$) than when they live in separate households ($M = 4.01$, $SD = 1.23$; $F(1, 1002) = 25.56$, $p < .001$, $\eta_p^2 = .025$). See figure 4b for detailed results.

FIGURE 4

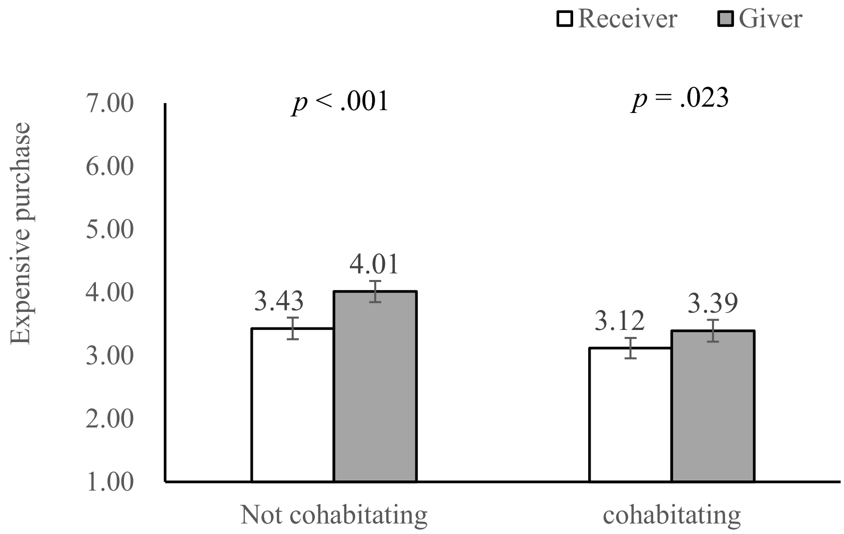
DISCREPANCY ATTENUATES WHEN RECEIVERS LIVE IN GIVERS' HOME

(STUDY 4)

a) Curbed Spending: Proportion of Spending



b) Curbed Spending: Expensive purchase



Note. Means and 95% confidence intervals are depicted.

Discussion

Study 5 shows that the key asymmetry occurs both when receivers and givers are in separate households and when they are in the same household, but that the asymmetry attenuates when they live in the same household (H3). Interestingly, the pattern of the attenuation was driven by givers' preference for receivers to curb their spending (i.e., cohabitation significantly increased the extent to which givers prefer that receivers curbed their spending). We speculate that one possible explanation may be that givers want receivers to save the money to move out of the family home.

4.6 Study 5: Receivers' spending increases when givers explicitly frame money as a gift

Study 5 aims to provide evidence to the loan perception mechanism by explicitly telling receivers that money from family is a gift to directly reduce the perception that money from family is a loan. We predict that, compared to when givers provide no explicit communication about the money when providing it to the receiver, telling the receiver that it is a gift will reduce their curbed spending behavior. Moreover, this study utilizes a recall task procedure to examine whether receivers' actual spending behavior was impacted as a result of explicit communication from the givers.

Method

Participants and design. Study 6 employed a recall procedure with 353 participants (M_{age} = 39.30, SD_{age} = 12.62; 54.1% female) from Prolific. This study had a 2 (perspective: receiver vs. giver) between-subjects design. *Procedure.* Participants were randomly assigned to recall a real instance where they either received money from family or provided money to family. Specifically, participants were asked, “Have you received/provided financial support (e.g., gave cash, lent your credit card, paid their bills, purchased an item for them, etc.) from/for your adult family members (e.g., your adult children, your parents, your adult siblings, etc.) in the past year?”

To capture communication when givers provided money, participants indicated that “when providing this financial support, did givers(you) explicitly describe the terms of their/your provision to you(receivers)?”(0 = No, they[I] did not specify, 1 = Yes, they[I] specified that it was a gift, 2 = Yes, they[I] specified that it was a loan). Overall, the money was described to receivers as (1) a gift (n = 130), (2) a loan (n = 37), or (3) not explicitly communicated (n = 186). Because only a small proportion of participants indicated that the money was labeled as a loan (n = 37), we report descriptive statistics for the loan condition in Appendix E.

Next, participants indicated their actual purchases (vs. their preference for receivers to purchase) using money from family with an item: “When you (your family member) were spending the money from family (you), did you (prefer them to) make less or more expensive purchases than usual?” (1 = less expensive than usual, 4 = similar as usual, 7 = more expensive than usual).

After that, participants reported their loan perception (a = .91) using the same 3-item scale in Study 3.

Results

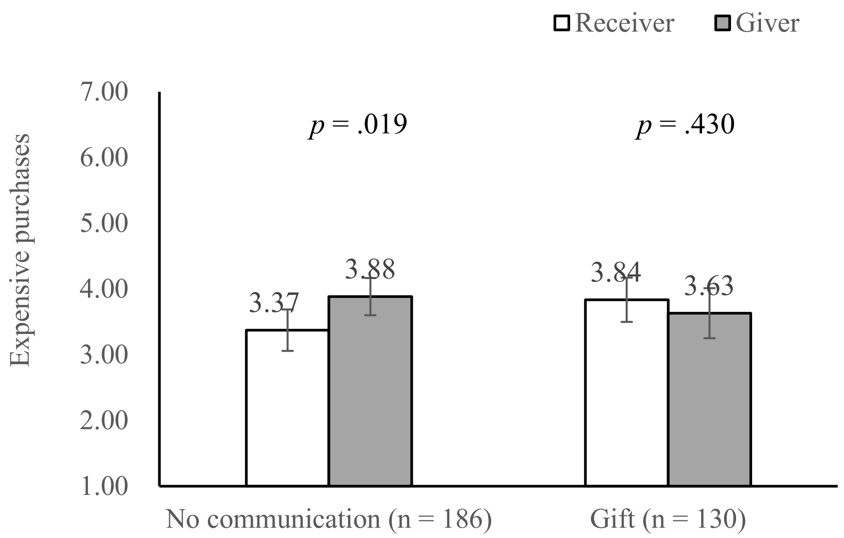
Curbed Spending. Expensive Purchase. A two-way ANOVA revealed a nonsignificant main effect of perspective ($F(1, 312) = .83$, $p = .363$, $\eta_p^2 = .003$), a nonsignificant main effect of communication ($F(1, 312) = .39$, $p = .532$, $\eta_p^2 = .001$) but more importantly, a significant perspective by communication interaction ($F(1, 312) = 4.51$, $p = .034$, $\eta_p^2 = .014$). Planned contrast showed that when there was no communication, receivers made less expensive purchases that givers preferred ($M_{receivers} = 3.37$, $SD = 1.54$ vs. $M_{givers} = 3.88$, $SD = 1.23$; $F(1, 312) = 5.61$, $p = .019$, $\eta_p^2 = .018$), replicating the main effect. However, this discrepancy disappeared when the money was explicitly labeled as a gift ($M_{receivers} = 3.84$, $SD = 1.63$ vs. $M_{givers} = 3.63$, $SD = 1.48$; $F(1, 312) = .63$, $p = .430$, $\eta_p^2 = .002$). Seen in a different way, explicit communication that the money was a gift significantly relieved the strain on spending for receivers ($M = 3.37$, $SD = 1.54$ vs. $M = 3.84$, $SD = 1.63$; $F(1, 312) = 3.89$, $p = .049$, $\eta_p^2 = .012$). See figure 5a for detailed results.

Loan Perception. A two-way ANOVA revealed a significant main effect of perspective ($F(1, 312) = 82.51$, $p < .001$, $\eta_p^2 = .209$), a significant main effect of communication ($F(1, 312) = 7.49$, $p = .007$, $\eta_p^2 = .023$) and more importantly, a significant perspective by communication interaction ($F(1, 312) = 5.77$, $p = .017$, $\eta_p^2 = .018$). Planned contrasts showed that when there was no communication, receivers perceived the money from family more as a loan than givers ($M_{receivers} = 4.60$, $SD = 2.17$ vs. $M_{givers} = 2.16$, $SD = 1.66$; $F(1, 312) = 80.34$, $p < .001$, $\eta_p^2=.205$). However, this discrepancy attenuates when the money was explicitly labeled as a gift ($M_{receivers} = 3.51$, $SD = 1.88$ vs. $M_{givers} = 2.09$, $SD = 1.61$; $F(1, 312) = 18.93$, $p < .001$, $\eta_p^2 = .057$). Seen in a different way, explicit communication that the money was a gift significantly decreased loan perception for receivers ($M = 4.60$, $SD = 2.17$ vs. $M = 3.51$, $SD = 1.88$; $F(1, 312) = 13.59$, $p < .001$, $\eta_p^2 = .042$). See figure 5b for detailed results.

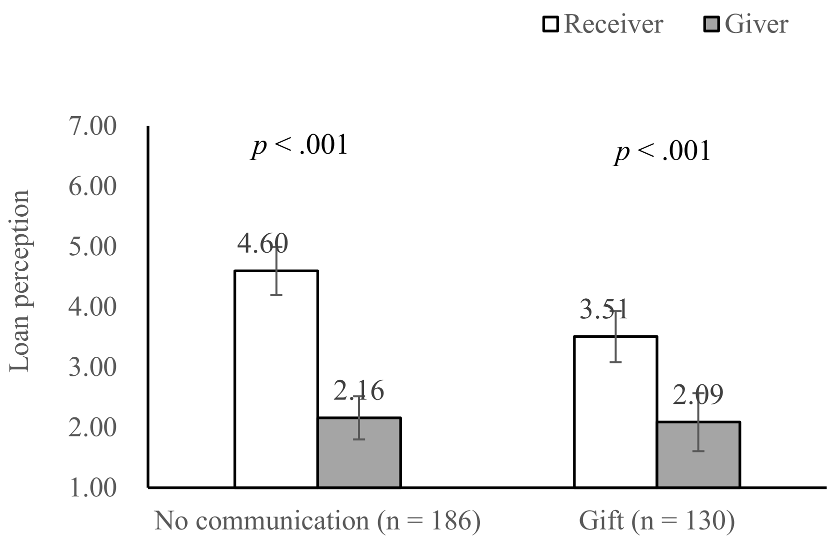
FIGURE 5

DISCREPANCY ATTENUATES WHEN GIVERS EXPLICITLY FRAME THE MONEY AS A GIFT (STUDY 5)

a) Curbed Spending: Expensive purchase



b) Loan Perception



Note. Means and 95% confidence intervals are depicted.

Study 5 supports the loan perception account by showing that the discrepancy between givers and receivers attenuates when givers explicitly tell receivers the money was a gift. By using recalled actual purchase as the dependent variable, this study enhances the ecological validity of our findings and underscores the importance of communication when providing money to the family. Moreover, Study 5 shows that explicit communication from the giver can effectively reduce the curbed spending of money from the family, indicating its potential as a useful intervention to promote consumption among receivers.

CHAPTER 5. CONCLUSION

Across six studies using surveys, secondary data, and experiments, we examined how receiving money from family affects receivers' spending and whether receivers curb spending more than givers want. A pilot survey established that family money transfers are common, often ambiguous (gift vs. loan), and intended for recipients' spending rather than saving. Secondary analyses (Studies 1A–1C) showed recipients spend less after receiving family money, controlling for income and household size. Controlled experiments confirmed recipients curb spending more than givers desire, driven by their perception of the money as a loan (Studies 2 and 3). This research also identified boundary conditions when this discrepancy attenuates: when receivers still live in the giver's household (Study 4) and when givers explicitly frame the money as a gift (Study 5).

5.1 Theoretical Contributions

This research explores the understudied effect of money from family, which adds to the mental accounting literature (Kahneman and Tversky 1984; Thaler 1985, 1999; Zhang and Sussman 2017). While prior research has documented that consumers create separate mental accounts for different sources of money, mainly examining how consumers spend money from institutional sources such as marketers and employers (Henderson and Peterson 1992; Cryder and LeBoeuf 2024), this work extends this line of inquiry by investigating the money from relational contexts and demonstrates that receivers often categorize money from family as a loan, in contrast to givers who view it as a gift.

Our study also advances the understanding of family relationships by showing that family solidarity norms continue to guide financial behaviors even after family members establish their own separate households (Bengtson and Roberts 1991; Daatland 1990; Merz et al. 2009). Prior work about family finance has focused largely on couples (Garbinsky and Gladstone 2019; Mishra et al. 2024; Olson et al. 2023) or intra-household dynamics around money management (Epp and Price 2008; Qualls 1988; Su et al. 2003). We extend this literature by examining how monetary transfer between extended family members, such as adult children and parents, shapes consumption behavior. The persistence of financial obligations across household boundaries underscores the enduring nature of family financial ties. Notably, we also found that the motivation to encourage receivers' spending diminishes when receivers continue to co-reside with givers. This highlights how shared living arrangements can exert a crucial influence on family financial interactions.

This research also added to the literature about personal finance, especially how strongly the norm of financial independence shapes the perception and consumption of money from family (Whittington and Peters 1996; Bea and Yi 2018). The strong cultural emphasis on financial independence leads receivers to perceive money from family more as a loan instead of a gift, which contradicts the giver's intentions. This finding reveals the complex interplay between familial norms and financial decision-making, particularly the psychological conflict individuals experience when balancing family support with personal independence.

5.2 Practical Implications

This research carries important implications for multiple stakeholders involved in familial financial transfers.

For family members providing financial support, it is crucial for them to recognize that their well-intentioned assistance may create unintended negative consequences for receivers. The sense of responsibility that drives givers to offer support often blinds them to the psychological burdens their generosity may impose (Adelman et al. 2014; McPherson, Wilson, and Murray 2007). It is crucial for givers to be mindful of these potential consequences and consider the emotional and psychological burden that their financial assistance might place on receivers. Rather than simply providing money, givers should consider more thoughtful approaches, such as explicitly framing the money as a gift or directly purchasing needed items for receivers. Receivers may hesitate to ask for help, and givers can provide the support actively on this occasion. Our supplemental study ($N = 322$) demonstrated that receivers spent significantly more when money was proactively offered ($M = 2.20$, $SD = 1.22$) than when they had to request it ($M = 1.79$, $SD = 0.82$; $F(1, 318) = 3.93$, $p = .048$, $\eta p^2 = .012$).

For individuals receiving financial support from family, our findings suggest several important considerations. First, receivers should recognize that such assistance typically stems from genuine care and good intentions, even when the support creates psychological discomfort. Second, rather than letting the funds sit unused due to feelings of obligation, receivers should strive to put the money toward meaningful purposes that align with both their own needs and the giver's supportive intentions—whether for essential expenses, skill development, or other constructive uses. Third, when formal repayment is neither expected nor practical, receivers may find alternative ways to acknowledge the support and lessen their emotional burden, such as contributing through household chores, providing emotional support, or expressing gratitude in meaningful ways. These approaches can help maintain healthy family relationships while honoring the receiver's need for autonomy and the giver's desire to help.

For policymakers, this research draws attention to the often-overlooked psychological costs associated with informal financial transfers. While family support serves as a critical social safety net, it can also generate emotional burdens such as indebtedness and constrained consumption behavior. To mitigate these effects, policymakers should consider expanding access to financial assistance that minimizes loan perceptions. This includes designing programs that rely on mutual support mechanisms such as grants, effort-contingent scholarships, or matching-savings incentives, rather than traditional loans. Such approaches could reduce stigma, promote financial independence, and better support the psychological well-being of individuals navigating periods of financial vulnerability. Policymakers should also consider providing mental health consulting services targeted at people who rely on family support for living.

For marketers, it is crucial to recognize scenarios where consumers are likely to spend money received from family, such as during key life transitions, including college enrollment, first-time home buying, wedding planning, or unexpected medical expenses. These are periods when individuals may rely on familial financial support, yet experience heightened emotional sensitivity and social pressure. In such contexts, marketers should be cautious about encouraging indulgent or high-cost purchases. Instead, recommending more affordable, functional, or value-oriented options can align with the consumer's psychological state, particularly their sense of obligation. Also, marketers can encourage consumers to consider givers' intention to promote their consumption.

5.3 Limitations and Future Research Directions

Several limitations of the current research present valuable opportunities for future investigation. First, our sample was limited to families in the U.S., and cultural differences may play a significant role in how money from the family is perceived and spent. Different cultures may have distinct norms, values, and expectations regarding monetary transfer within families, influencing both the givers and receivers of the money (Glazer 2006; Taylor et al. 2004; Kim, Sherman, and Taylor 2008). Comparing how familial financial dynamics vary across cultures could highlight culture-specific factors that shape consumer behavior and financial decision-making processes. Understanding these variations could inform culturally sensitive interventions and policies aimed at promoting financial well-being and familial harmony across diverse cultural contexts.

Future research could further explore the boundary conditions of the curbed spending effect, such as what the money is for, the amount of money, the initiator of the transfer, and relational closeness. A supplemental study (N = 322) found that receivers spent the money from family less both when money was offered proactively by givers ($M_{receivers}$ = 2.20, SD = 1.22 vs. M_{givers} = 3.00, SD = 1.54; $F(1, 318) = 15.34$, $p < .001$, $\eta_p^2 = .046$) and when receivers requested money($M_{receivers}$ = 1.79, SD = .82 vs. M_{givers} = 2.78, SD = 1.52; $F(1, 318) = 22.98$, $p < .001$, $\eta_p^2 = .067$). Interestingly, receivers spent more on dinner when givers offered the money proactively (M = 2.20, SD = 1.22) than when they had to ask (M = 1.79, SD = .82; $F(1, 318) = 3.93$, $p = .048$, $\eta_p^2 = .012$). This suggests that givers can increase receivers' spending by initiating the monetary transfer before receivers ask (see Web Appendix F). Future research could also examine the role of normalization (Lisa and Barnhart 2011)—for example, whether framing money from family as a socially expected or prevalent practice increases spending.

Although Study 1b compared the impact of money from family on consumption with savings accounts and credit cards, future research could compare money from family with other sources of money, such as tax refunds, an impersonal, institutional source of money that carries minimal social relationships (Yu, Cryder, and LeBoeuf 2024). A supplemental study ($N = 327$) found that consumers spend less when using money from family than from a tax refund, with this effect especially pronounced among lower-income participants ($M_{\text{money from family}} = 2.85$, $SD = 1.43$; $M_{\text{tax refund}} = 3.68$, $SD = 1.60$; $F(1, 323) = 11.33$, $p = .001$, $\eta_p^2 = .034$; (see Web Appendix G for detailed results). This highlights the unique consumption pattern of family money and suggests that financial status may interact with the source of money to shape spending behavior.

Finally, our research has primarily focused on daily, small-scale purchases. Future studies could extend this framework to larger, more consequential financial decisions, such as housing, education, or healthcare expenses. Examining whether the curbed spending effect generalizes to these contexts could reveal important implications for the influence of loan perception and family norms. Such investigations would deepen our understanding of the interplay between familial financial support, consumer psychology, and decision-making across a broader range of economic behaviors.

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APPENDIX A DEMOGRAPHICS ACROSS STUDIES

Study	Gender	Age	Relationship status	Givers' income	Receivers' income
Pilot study	50.5% male 48.5% female 1% prefer not to say	M = 38.93 SD = 13.67	23.7% Single 24.7% In a committed relationship 46.4% Married 4.1% Divorced 1.0% Widowed	5.2% Less than $10,000 11.3% $10,000 – $19,999 16.5% $20,000 – $39,999 22.7% $40,000 – $69,999 19.6% $70,000 – $99,999 17.5% $100,000 – $149,999 7.2% $150,000 and above	/
Study 3	48.4% male 50.3% female 1.0% non-binary 0.3% prefer not to say	M = 38.47 SD = 13.54	23.8% Single 4.5% Casually dating 12.2% In a committed relationship 52.3% Married 4.7% Divorced 2.5% Widowed	6.7% Less than $10,000 5.1% $10,000 – $19,999 13.4% $20,000 – $39,999 35.2% $40,000 – $69,999 21.9% $70,000 – $99,999 11.4% $100,000 – $149,999 6.3% $150,000 and above	21.3% lower than average 32.1% average 46.6% higher than average
Study 4	49.0% male 50.7% female 0.2% non-binary	M = 47.61 SD = 7.09	/	17.4% Less than $10,000 8.9% $10,000 – $19,999 19.6% $20,000 – $39,999 22.5% $40,000 – $69,999 14.0% $70,000 – $99,999 10.9% $100,000 – $149,999 6.8% $150,000 and above	3.9% Less than $10,000 4.3% $10,000 – $19,999 11.8% $20,000 – $39,999 21.0% $40,000 – $69,999 22.9% $70,000 – $99,999 19.1% $100,000 – $149,999 16.9% $150,000 and above
Study 5	49.1% male 49.5% female 0.9% non-binary 0.5%prefer not to say	M = 43.71 SD = 13.89	/	26.5% lower than average 40.6% average 32.9% higher than average	32.6% lower than average 33.6% average 33.8% higher than average
Study 6	45.0% male 54.2% female 0.6% non-binary 0.3%prefer not to say	M = 39.22 SD = 12.61	26.5% Single 3.9% Casually dating 17.3% In a committed relationship 43.9% Married 7.0% Divorced 1.4% Widowed	9.5% Less than $10,000 10.6% $10,000 – $19,999 23.2% $20,000 – $39,999 25.7% $40,000 – $69,999 14.5% $70,000 – $99,999 10.1% $100,000 – $149,999 6.4% $150,000 and above	2.5% Less than $10,000 5.3% $10,000 – $19,999 10.9% $20,000 – $39,999 21.5% $40,000 – $69,999 19.6% $70,000 – $99,999 21.8% $100,000 – $149,999 18.4% $150,000 and above

APPENDIX B CODING INSTRUCTION IN STUDY 2

Examples of the instruction using the motivation "Durable Purchase"

Please read the following participant response and assess whether it mentions the motive: "**Durable Purchase**", which includes <u>emphasis on the product's durability, thoughts about choosing a reliable product, and thoughts about using the product for a long time</u>

Rate the response on a scale from 1 to 7, where 1 = Not at all, 7 = Very much.

Only respond with a single number (1–7). Do not explain.

Here is the consumer's reason: [___]

Explanation of each motivation in the instruction

- **Durable purchase**: <u>Emphasis on the product's durability, thoughts about choosing a reliable product, thoughts about using the product for a long time</u>

- **Purchase to make improvements**: <u>Emphasis on purchasing a product that can improve their/receivers' lifestyle, thoughts about providing comfort to themselves/receivers, thoughts about helping make their/receivers' life better</u>

- **Responsible purchase**: <u>emphasis on spending responsibly, emphasis on the ability or effort to spend in a responsible way, thoughts about making a purchase that is sensible, thoughts about not being wasteful</u>

- **Other needs**: <u>Emphasis on cutting the cost of the purchase for other needs, thoughts about using less of the money for the purchase, saving for the future, thoughts about preserving the money</u>

- **Deservingness:** a belief in themselves/receivers deserve the purchase, a sense of entitlement, a feeling justified for the purchase
- **Financial dependence:** a belief that their finances and their family's finances should be interdependent, they and their family belong to one financial unit, and their family is obligated to help them financially in times of need or they are obligated to help their family financially in times of need

APPENDIX C FACTOR ANALYSIS IN STUDY 3

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.713
Bartlett's Test of Sphericity	Approx. Chi-Square	1251.390
	df	21
	Sig.	.000

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.949558	42.13654	42.13654	2.949558	42.13654	42.13654	2.580695	36.86708	36.86708
2	1.502038	21.45769	63.59423	1.502038	21.45769	63.59423	1.870901	26.72715	63.59423
3	0.911769	13.02527	76.6195						
4	0.69114	9.873434	86.49294						
5	0.532714	7.610201	94.10314						
6	0.310611	4.437302	98.54044						
7	0.102169	1.459561	100						

Rotated Component Matrix[a]

	Component	
	1	2
Loan2	0.953	-0.131
Loan1	0.917	-0.132
Loan3	0.878	-0.111
Dinner	-0.127	0.782
Massage	-0.197	0.715
Kitchen	-0.013	0.617
P_spend	-0.068	0.566

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

APPENDIX D SEPARATE RESULTS FOR SEPARATE ITEMS IN STUDY 4

Personal electronic item. A two-way ANOVA revealed a significant main effect of perspective (F(1, 1002) = 29.05, $p < .001$, $\eta_p^2 = .028$), a significant main effect of cohabitation status (F(1, 1002) = 12.81, $p < .001$, $\eta_p^2 = .013$) and a nonsignificant perspective by cohabitation status interaction (F(1, 1002) = 1.28, $p = 258$, $\eta_p^2 = .001$). Although the interaction is insignificant, the pattern of results is consistent with our prediction. Therefore, we conducted contrast analyses. Results showed that when receivers live separately, they chose less expensive personal electronic item than givers preferred ($M_{receivers} = 3.66$, SD = 1.61 vs. $M_{givers} = 4.28$, SD = 1.26; F(1, 1002) = 21.02, $p < .001$, $\eta_p^2 = .021$). However, when receivers live in givers' home, this discrepancy attenuates, albeit still significant ($M_{receivers} = 3.42$, SD = 1.68 vs. $M_{givers} = 3.83$, SD = 1.45; F(1, 1002) = 9.17, $p = .003$, $\eta_p^2 = .009$).

Dinner. A two-way ANOVA revealed a significant main effect of perspective (F(1, 1002) = 14.65, $p < .001$, $\eta_p^2 = .014$), a significant main effect of cohabitation status (F(1, 1002) = 22.48, $p < .001$, $\eta_p^2 = .022$) and a significant perspective by cohabitation status interaction (F(1, 1002) = 4.07, $p = 044$, $\eta_p^2 = .004$). Planed contrast showed that when receivers live separately, they chose less expensive dinner than givers preferred ($M_{receivers} = 3.35$, SD = 1.57 vs. $M_{givers} = 3.92$, SD = 1.42; F(1, 1002) = 16.89, $p < .001$, $\eta_p^2 = .017$). However, when receivers live in givers' home, the discrepancy attenuates ($M_{receivers} = 3.09$, SD = 1.64 vs. $M_{givers} = 3.27$, SD = 1.45; F(1, 1002) = 1.66, $p = .199$, $\eta_p^2 = .002$).

Massage. A two-way ANOVA revealed a significant main effect of perspective (F(1, 1002) = 14.65, $p < .001$, $\eta_p^2 = .015$), a significant main effect of cohabitation status (F(1, 1002) = 32.95, $p < .001$, $\eta_p^2 = .032$) and a nonsignificant perspective by cohabitation status interaction (F(1, 1002) = 2.34, $p = 126$, $\eta_p^2 = .002$). Although the interaction is insignificant, the pattern of results is consistent with our prediction. Therefore, we conducted contrast analyses. Results showed that when receivers live separately, they chose less expensive massage than givers preferred ($M_{receivers}$ = 3.28, SD = 1.72 vs. M_{givers} = 3.85, SD = 1.59; $F(1, 1002) = 14.43$, $p < .001$, $\eta_p^2 = .014$). However, when receivers live in givers' home, the discrepancy attenuates, albeit still marginally significant ($M_{receivers}$ = 2.84, SD = 1.77 vs. M_{givers} = 3.08, SD = 1.53; $F(1, 1002) = 2.78$, $p = .096$, $\eta_p^2 = .003$).

APPENDIX E RESULTS OF THE LOAN CONDITIONS IN STUDY 5

Due to the small sample size in the loan communication conditions, we analyze them separately.

Expensive purchase. An ANOVA showed that explicit communication of the money as a loan dampened spending for receivers and givers alike ($M_{receivers} = 2.83$, $SD = 2.33$ vs. $M_{givers} = 2.96$, $SD = 1.51$; $F(1, 35) = .04$, $p = .843$, $\eta_p^2 = .001$).

Loan perception. An ANOVA showed that explicit communication of the money as a loan led both givers and receivers to perceive it as a loan ($M_{receivers} = 6.58$, $SD = .78$ vs. $M_{givers} = 5.43$, $SD = 1.35$; $F(1, 35) = 7.54$, $p = .009$, $\eta_p^2 = .177$).

APPENDIX F: SUPPLEMENTAL STUDY 1

This supplementary study aims to test the impact of who initiates the monetary transfer. We examine whether the observed effects generalize across two common scenarios: when givers voluntarily offer money and when receivers explicitly request it. Theoretically, distinguishing between giver-initiated and receiver-requested transfers is crucial, as initiation type may activate different relational norms and expectations (Heyman et al., 2009). Practically, consumers may wonder whether they should wait for their family to ask for money. Furthermore, this study investigates the mediating role of loan perception in both contexts.

Method

Participants and Design. Supplemental Study 1 employed a 2 (perspective: receiver vs. giver) × 2 (initiator: givers vs. receivers) between-subjects design. We recruited 322 US participants (M_{age} = 41.92, SD_{age} = 13.84; 53.4% female) from Prolific.

Procedure. In the receiver condition, participants were asked to imagine that "Please imagine that you are facing some financial difficulties and are struggling to make ends meet. You have bills to pay and essential expenses to cover. You realize that you are struggling and ask your parents to give you financial support / Your parents realize that you are struggling and they offer to give you financial support." In the giver condition, participants were asked to imagine that "Please imagine that your adult child is facing some financial difficulties and is struggling to make ends meet. They have bills to pay and essential expenses to cover. Your child realizes that they are struggling and they ask you to give them financial support / You realize that they are struggling and you offer to give them financial support."

Then, to capture curbed spending, we asked participants' preferred dinner expenditure when receivers were using money from family: "If you (they) were to go out to dinner and use the money your parents (you) provided, how much would you prefer (for them) to spend?" (1 = \$0-9, 2 = \$10-19, 3 = \$20-29, 4 = \$30-39, 5 = \$40-49, 6 = \$50-59, 7 = more than \$60).

After that, participants completed the loan perception measure using two items (r = .79, $p < .001$): 1) "To what extent would you feel that you (they) owe them (you)?", and 2) "To what extent would you feel that you (they) need to pay back the money?" (1 = not at all, 7 = very much).

Finally, participants provided their demographic information, including age, gender, relationship status, their own financial status, and their parents' or adult offspring's financial status.

Results

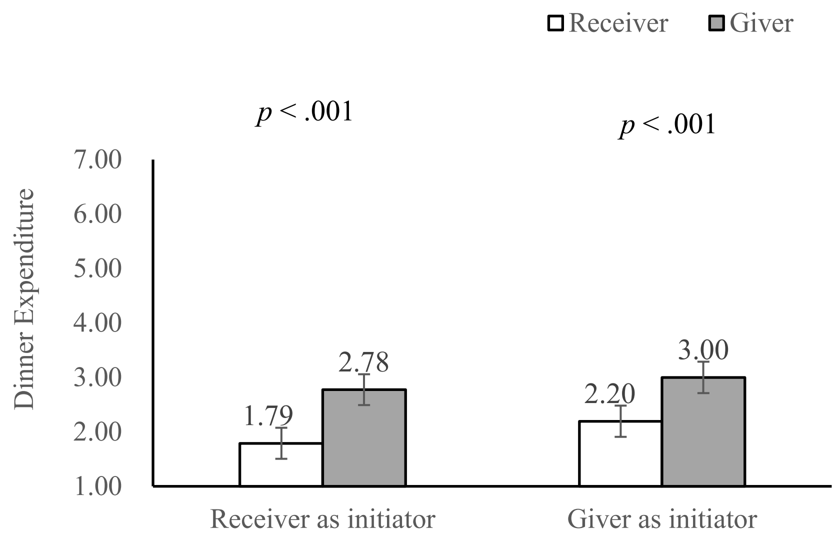
Curbed Spending: Expensive Purchase. A two-way ANOVA analysis revealed a significant main effect of perspective ($F(1, 318) = 37.94$, $p < .001$, $\eta_p^2 = .107$), a significant main effect of initiator ($F(1, 318) = 4.70$, $p = .031$, $\eta_p^2 = .015$), and an insignificant perspective by initiator interaction ($F(1, 318) = .38$, $p = .536$, $\eta_p^2 = .001$). See figure WA1a. Under both circumstances — when givers provide money without being asked ($M_{receivers} = 2.20$, SD = 1.22 vs. $M_{givers} = 3.00$, SD = 1.54; $F(1, 318) = 15.34$, $p < .001$, $\eta_p^2 = .046$) and when receivers request money ($M_{receivers} = 1.79$, SD = .82 vs. $M_{givers} = 2.78$, SD = 1.52; $F(1, 318) = 22.98$, $p < .001$, $\eta_p^2 = .067$), there is a significant discrepancy that receivers spent less on their dinner than givers preferred. Interestingly, receivers spent more on dinner when givers offered the money proactively (M = 2.20, SD = 1.22) than when they had to ask (M = 1.79, SD = .82; $F(1, 318) = 3.93$, $p = .048$, $\eta_p^2 = .012$)

Loan perception. A two-way ANOVA analysis revealed a significant main effect of perspective (F(1, 318) = 185.17, $p < .001$, $\eta_p^2 = .368$), a non-significant main effect of initiator type (F(1, 318) = .86, $p = 356$, $\eta_p^2 = .003$), and an insignificant perspective by initiator interaction (F(1, 318) = .24, $p = .623$, $\eta_p^2 = .001$). Under both circumstances — when givers provide money without being asked ($M_{receivers} = 5.96$, SD = 1.30 vs. $M_{givers} = 3.79$, SD = 1.77; F(1, 318) = 85.99, $p < .001$, $\eta_p^2 = .213$) and when receivers request money ($M_{receivers} = 6.19$, SD = 1.19 vs. $M_{givers} = 3.86$, SD = 1.61; F(1, 318) = 99.43, $p < .001$, $\eta_p^2 = .238$), there is a significant discrepancy that receivers perceived the money more as a loan than givers did. See figure WA1b for detailed results.

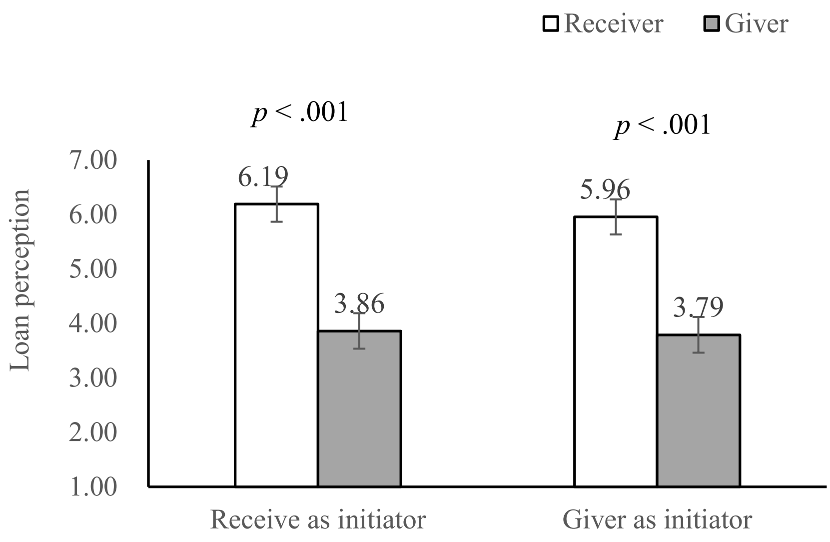
FIGURE 2W1

DISCREPANCY ACROSS DIFFERENT INITIATORS: RECEIVER AS INITIATOR VERSUS GIVER AS INITIATOR

a) Curbed Spending: Dinner Expenditure



b) Loan perception



Note. Means and 95% confidence intervals are depicted.

Mediation. Because there is no significant interaction of perspective and initiator on dinner expenditure, we collapsed the two initiator conditions. We conducted mediation analyses (PROCESS Model 4, Hayes 2017) with perspective (receiver vs. giver) as the independent variable, loan perception as the mediator, and dinner expenditure as the dependent variable. Results revealed significant mediation via loan perception on dinner expenditure ($\beta = .23$, SE = .13, 90% CI [.020, .450]).

Discussion

Supplemental Study 1 demonstrates the generalizability of the curbed spending effect across both giver-initiated and receiver-requested transfers, suggesting that the effect is robust across different modes of financial provision. The findings also identify a potential intervention: receivers were more willing to spend when money was voluntarily offered by givers than when they had to request it. Moreover, consistent with our theorizing, the study provides further support for the loan perception mechanism, as receivers' stronger tendency to view the money as a loan relative to givers accounted for their curbed spending.

APPENDIX G: SUPPLEMENTAL STUDY 2

Supplemental Study 2 aims to extend our investigation of money from family in two ways. First, we compare how consumers spend money received from family versus an alternative source of funds—a tax refund—which has frequently been used in prior mental accounting research as a control condition and also an impersonal, institutional source of money that carries minimal social relationships (Yu, Cryder, and LeBoeuf 2024). Second, we examine how consumers' income levels moderate this effect, considering that financial resources may influence consumers ' ability to repay and financial well-being (Netemeyer et al. 2018). By examining both the source of funds and the role of income, Supplemental Study 2 provides a more nuanced understanding of the conditions under which money from family affects consumer spending.

Method

Participants and Design. Supplemental Study 2 employed a 2 (source of money: tax refund vs. money from family) × 2 (income: high vs. low) between-subjects design. We recruited 327 undergraduates (M_{age} = 20.12, SD_{age} = 7.35; 53.4% female) from a university laboratory. We chose undergraduate participants because they typically do not have jobs, making their income levels easier to manipulate.

Procedure. Participants were randomly assigned to one of four conditions. Income level was manipulated by asking participants to imagine their financial situation after graduating from university. They were told to imagine either they are doing very well financially, with an income in the top 10% of their age group, or they are not doing very well financially, with an income in the bottom 10% of their age group. In the money from family condition, participants were asked to imagine: "You received a $5,000 check from your parents this month. With this money from your parents, you have $5,000 this month, in addition to your own income." In the tax refund condition, participants were asked to imagine that "You received a $5,000 check from your tax refund this month. With this money from the tax refund, you have $5,000 this month, in addition to your own income."

Then, participants responded to an expensive purchase measure: "IIf you were to spend the money from your family/tax refund, would you make less or more expensive purchases compared to what you would normally spend?" (1 =less expensive than what I would normally spend, 4 = similar to what I would normally spend, 7 = more expensive than what I would normally spend).

Then, participants responded to a manipulation check item, "In the previous pages, you were asked to imagine working full-time as a 25-year-old. Did you imagine that you would have relatively lower vs. higher income?" (1=relatively lower income, 7 = relatively higher income).

Finally, participants provided their demographic information, including age, gender, relationship status, and their parents' financial status.

Results

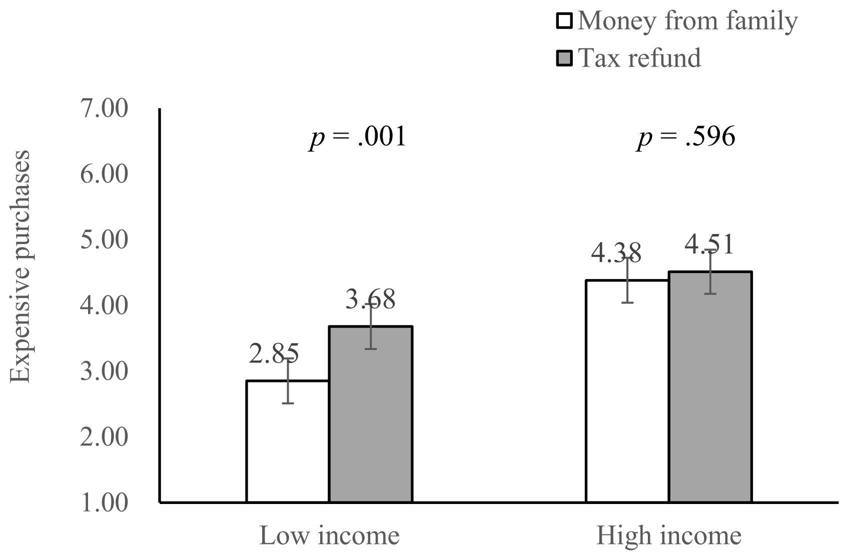
Manipulation Check. The manipulation of income level was successful as participants in the lower income condition reported having lower income (M = 4.25, SD = 2.12) than participants in the higher income condition (M = 5.31, SD = 1.62; F(1, 320) = 25.52, $p < .001$, $\eta_p^2 = .074$)

Curbed Spending: Expensive Purchase. A two-way ANOVA analysis revealed a significant main effect of income level (F(1, 323) = 46.68, $p < .001$, $\eta_p^2 = .126$), a significant main effect of source of money (F(1, 323) = 7.64, $p = .006$, $\eta_p^2 = .023$), and an insignificant income by source of money interaction (F(1, 323) = 4.07, $p = .044$, $\eta_p^2 = .012$). See figure

WA2. Low-income participants are less likely to spend the money from their family on an expensive purchase (M = 2.85, SD = 1.43) than tax refund (M = 3.68, SD = 1.60; $F(1, 323)$ = 11.33, p = .001, η_p^2 = .034). However, for high-income participants, this effect attenuates (M_{family} = 4.38, SD = 1.85 vs $M_{tax\ refund}$ = 4.51, SD = 1.33; $F(1, 323)$ = .28, p = .596, η_p^2 = .001).

FIGURE WA2

THE IMPACT OF THE SOURCE OF MONEY AND INCOME ON CURBED SPENDING



Note. Means and 95% confidence intervals are depicted.

Discussion

Supplemental Study 2 provides further evidence that the source of money systematically shapes consumer spending. Consumers allocated money from family toward less expensive purchases than when the same amount came from a tax refund. Moreover, this effect was particularly pronounced among lower-income participants. These findings carry important practical implications. For policymakers and organizations aiming to encourage household spending, our results highlight that money given within families may not stimulate consumption in the same way as other financial inflows, especially those with low income restrain their consumption when using money from family.